

APPENDIX A

Grant Awards for the May, 2004 CDBG Public Facilities Competition

APPLICANT: *City of Bozeman, on behalf of Reach, Inc.*

TYPE OF PROJECT: Construction of a New Work Center for Adults with Developmental Disabilities

CDBG AMOUNT: \$500,000

OTHER: \$451,185 First Security Bank – loan
 \$275,000 Capital Campaign – (pledged or donated as of 5/17/04: \$256,554)
 \$ 59,400 Reach reserves
\$500,000 Expected from sale of existing facility (with commitment from First Security Bank for a bridge loan pending sale)

PROJECT TOTAL: \$1,785,585

COMMUNITY INFORMATION	
Population Served:	91 currently 117 projected
Number of Households:	117
Benefit to Low and Moderate Income Households:	96%
Number of Hookups:	NA

SUMMARY: Reach, Inc. is a private, nonprofit organization established in 1974, which serves and supports adults with developmental disabilities in Bozeman and the surrounding area. Reach currently provides residential and vocational services to approximately 91 people and within the next 3–5 years will be asked to serve an additional 35-40 people with disabilities coming from the Bozeman area high schools. To deal with the problem of its overcrowded facilities, this project would build a new 13,290 square foot work center that would allow adequate space to serve the growing number of Bozeman area development disabled adults.

APPLICANT: *Town of Cascade*

TYPE OF PROJECT: Water Distribution System Improvements

CDBG AMOUNT: \$500,000

OTHER: \$500,000 Treasure State Endowment Program (TSEP) - grant
 \$100,000 Department of Natural Resources & Conservation (DNRC) – grant
 \$178,500 Town reserves
\$ 5,000 TSEP Preliminary Engineering Report (PER) - grant

PROJECT TOTAL: \$1,283,500

COMMUNITY INFORMATION	
Population Served:	819
Number of Households:	322
Benefit to Low and Moderate Income Households:	57%
Number of Hookups:	348

SUMMARY: The town's water distribution system, constructed in 1913, has frequent leakage problems which could increase the potential for backflow and contamination of the public water supply from outside sources as well as negative pressures and inadequate fire protection. Improvements would be done in several phases. The first phase would include replacement of old and undersized mains with new 10-inch, 8-inch, and 6-inch PVC; replacement of all 1913-vintage fire hydrants with new 6-inch hydrants; and construction of a core transmission line into town with a 10-inch main. Water storage improvements would include: construction of a new 273,000 gallon buried concrete storage reservoir; installation of new telemetry controls for the wells and water storage reservoirs; and purchase of a portable generator for emergency operation of the existing water wells.

APPLICANT: *Town of Dodson*

TYPE OF PROJECT: Wastewater System Improvements

CDBG AMOUNT: \$443,150

OTHER: \$427,500 TSEP - grant
 \$100,000 RRGL - grant
\$ 88,212 State Revolving Loan Fund (SRF)

PROJECT TOTAL: \$1,058,862

COMMUNITY INFORMATION	
Population Served:	122
Number of Households:	57
Benefit to Low and Moderate Income Households:	53%
Number of Hookups:	75

SUMMARY: The town's central collection and treatment system, originally constructed in 1958, discharges to a lift station located south of town. The lift station pumps wastewater to the facultative lagoon via a 2,900 lineal foot, 6-inch diameter cement-asbestos force main. The treatment system consists of a single-cell facultative lagoon system with no disinfection and a direct discharge of treated effluent to Dodson Creek, which flows into the Milk River. Since 1994, the town has received over a dozen water quality violations. Their current discharge permit has a compliance schedule which requires improvements at the lagoon site. Other deficiencies include: an existing lift station which is substandard and in poor condition; no alarm or backup power for the pumps; outdated controls and electrical/mechanical systems; and a major safety hazard concerning access to the dry well. This project would involve construction of a new lift station and the replacement of the existing lagoon with a two-cell total retention wastewater treatment system.

APPLICANT: *City of Havre, on behalf of District IV Human Resource Development Council*

TYPE OF PROJECT: Construction of a New Head Start Facility

CDBG AMOUNT: \$500,000

OTHER: \$256,461 RD – community facility loan
 \$1,700,000 Federal Appropriation Request
 -grant
 \$ 20,000 Burlington Northern/Santa Fe Foundation - grant
 \$ 50,000 Department of Public Health and Human Services (DPHHS) –
 Administration for Children and Families (AFCF) - grant
 \$ 50,000 M.J. Murdock Foundation - grant
\$ 50,000 Allan Foundation - grant

PROJECT TOTAL: \$2,626,461

COMMUNITY INFORMATION	
Population Served:	9,621
Number of Households:	4,015
Benefit to Low and Moderate Income Households:	90%
Number of Hookups:	NA

SUMMARY: The District IV Human Resource Development Council (HRDC) contracts with the U. S. Department of Health and Human Services' Head Start Bureau to provide the Head Start program within Blaine, Hill, and Liberty counties. The HRDC currently serves 151 funded enrollment children, with 29 of these children coming from outside of Hill County. The Head Start facility located in Havre has a staff of 39 and three separate buildings, with the main building having three classrooms. In 2001, the Havre Public Schools changed its neighborhood schools to grade-level schools, including the Devlin School, where the HRDC had occupied two classrooms for Head Start. With these classrooms no longer available, the HRDC moved its Head Start activities into its current facility. The current Head Start facility has several inadequacies: there are no sprinkler systems; the buildings do not comply with egress requirements; it is not fully handicapped accessible; it does not meet indoor air quality requirements; there is overcrowding; and it does not comply with federal Head Start performance standards of 35 square feet per child. The project proposes construction of a new 12,425 square foot building adjacent to HRDC's administration building.

APPLICANT: *Hill County, on behalf of Rudyard County Water & Sewer District*

TYPE OF PROJECT: Wastewater System Improvements

CDBG AMOUNT: \$344,400
OTHER: \$441,950 TSEP - grant
\$ 82,553 SRF - loan
\$ 15,000 Local loan

PROJECT TOTAL: \$883,903

COMMUNITY INFORMATION	
Population Served:	275
Number of Households:	126
Benefit to Low and Moderate	
Income Households:	52%
Number of Hookups:	135

SUMMARY: The Rudyard County Water and Sewer District was created in 2003 and replaced the Rudyard Improvement Association, which had been managing Rudyard's central sewer collection and treatment system. The current system was constructed in the 1950's and has over 18,000 feet of gravity collection main, with the majority of the mains being 6-inch diameter clay tile. Sewage is gravity-fed to the lagoon site, which has a lift station to pump the sewage into the four-cell total retention lagoon system. The gravity collection system is failing and the lift station is outdated. There is a serious health threat caused by 25-30 backups a year into private residences. The Montana DEQ inspection report indicates the need for lift station alarms, backup power or pumping ability, and stated concerns with the lift station being located in a depression. This project would replace approximately 61% (6,725 linear feet) of the existing 6-inch clay tile lines with PVC lines; install new manholes; replace the existing lift station with a new submersible package station; purchase a portable pump for emergency use; and install a new forcemain from the lift station to Treatment Cells #1 and #2.

APPLICANT: *City of Kalispell, on behalf of Northwest Montana Head Start, Inc.*

TYPE OF PROJECT: Construction of a New Head Start Facility

CDBG AMOUNT: \$500,000
OTHER: \$1,497,386 RD - loan
\$ 19,500 Northwest Montana Head Start,
Inc. (NMHS) – cash & in-kind
\$ 3,700 City of Kalispell – cash & in-kind
PROJECT TOTAL: \$2,020,586

COMMUNITY INFORMATION	
Population Served:	
Flathead County:-	74,471
Number of Households:	
Flathead County:	30,344
City of Kalispell:	6,121
Benefit to Low and Moderate	
Income Households:	99%
Number of Hookups:	NA

SUMMARY: Since 1969, the Northwest Montana Head Start, Inc. (NMHS) has provided the Flathead Valley and north Lincoln County with pre-school education services, family support services, health education and health services, mental health services, nutritional education and meals, and collaborated with local area education services in helping with special needs children. The program serves a total of 234 children at five centers from these areas. The Kalispell facility became unsafe due to high levels of mold and was closed. The program moved into the Evergreen facility which had inadequate space, minimal ADA accessibility, and unsafe classrooms in case of fire. NMHS proposes to build a new facility that would house the Kalispell/Evergreen Head Start operations and administration offices, provide complete ADA accessibility and safe bus and parent pick-up and drop-off areas. NMHS would then be able to implement the new full-day, full-year day care program.

APPLICANT: *Town of St. Ignatius*

TYPE OF PROJECT: Wastewater System Improvements

CDBG AMOUNT: \$500,000
OTHER: \$ 50,000 St. Ignatius – cash reserve
\$1,184,500 RD – loan
\$1,184,500 RD – grant
\$500,000 TSEP – grant
\$100,000 DNRC – grant
\$400,000 Indian Health Service (IHS)- grant
PROJECT TOTAL: \$3,919,000

COMMUNITY INFORMATION	
Population Served:	532
Number of Households:	213
Benefit to Low and Moderate	
Income Households:	66%
Number of Hookups:	254

SUMMARY: The town's wastewater treatment system is a single-cell facultative lagoon constructed in 1956, and for many years has been in violation of the system NPDES discharge permit limits and Tribal water quality standards. Due to the age, configuration, and size of the system, several deficiencies could present a direct threat to the public: the town is under an EPA compliance order to meet the discharge limit for coliform in the discharge effluent by October 1, 2004; discharge of inadequately treated wastewater effluent to the spring creek and groundwater (lagoon leakage and infiltration during winter months) has resulted in degradation of surface water and groundwater and ammonia toxicity in the receiving water. The project proposes construction of a non-discharging treatment, storage, and irrigation system on three sites, with land application to agricultural land. Each site would need the same amount of main line (17,500 feet) to transport wastewater from the proposed lift station at the existing lagoon site to the treatment/irrigation site. New lagoon cells would be lined, sealed manhole covers would be installed on the collection system manholes that are subject to inflow, and the school would be required to disconnect roof drains from the wastewater collection system.

APPLICANT: *Yellowstone County, on behalf of the Custer Area/Yellowstone County Water & Sewer District*

TYPE OF PROJECT: Wastewater Project

CDBG AMOUNT: \$500,000

OTHER: \$500,000 TSEP – grant
 \$117,854 SRF – loan
 \$125,000 Coal Board – grant
 \$100,000 DNRC/RRGL – grant
 \$ 14,343 TSEP PER – grant
\$ 12,579 District – match funds

PROJECT TOTAL: \$1,369,776

COMMUNITY INFORMATION	
Population Served:	145
Number of Households:	59
Benefit to Low and Moderate Income Households:	68%
Number of Hookups:	67

SUMMARY: The Custer Area/Yellowstone County Water & Sewer District was established in 2003. The district's wastewater system was built in 1968 and consists of a gravity sewer collection system, a dry-well type lift station, and two facultative lagoons. In 1998, there was one emergency replacement of approximately 400 feet of sewer lines. The District has concerns regarding public safety and health threats: the lagoons are leaking approximately 84% of the wastewater that enters; with a detention time of five days, untreated wastewater is directly entering the groundwater; there are large increases of flow during irrigation seasons, indicating inflow and infiltration; the 34-year-old lift station is a safety hazard due to corrosion of the manholes; there is a possibility of electrocution with electrical components, and there is no room for expansion in the dry well for a flow meter. Improvements to the project would include: building a new lift station; replacing one-third of the in-town clay tile pipe and the last 2,650 feet of pipeline from town to the lagoons with a force main; lining and restructuring the lagoon cells to include two facultative lagoons and infiltration/percolation ponds; and installing a force main in place of the gravity sewer to eliminate inflow and infiltration.

APPENDIX B

NATIONAL OBJECTIVES FOR THE 2006 MONTANA COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM

Under the Federal Housing and Community Development Act, the primary objective of the CDBG Program “is the development of viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income.”

CDBG funds are intended for the support of community development activities that are directed toward specific national objectives. The national objectives for the CDBG program follow. Each CDBG applicant must describe which (one) national objective for the CDBG program is most consistent with the proposed project.

- a. The elimination of slums and blight and the prevention of blighting influences and the deterioration of property and neighborhood and community facilities of importance to the welfare of the community, principally persons of low and moderate income.
- b. The elimination of conditions that are detrimental to health, safety, and public welfare, through code enforcement, demolition, interim rehabilitation assistance, and related activities.
- c. The conservation and expansion of the Nation's housing stock in order to provide a decent home and a suitable living environment for all persons, but principally those of low and moderate income.
- d. The expansion and improvement of the quantity and quality of community services, principally for persons of low and moderate income, which are essential for sound community development and for the development of viable urban communities.
- e. A more rational utilization of land and other natural resources, and the better arrangement of residential, commercial, industrial, recreational, and other needed activity centers.
- f. The reduction of the isolation of income groups within communities and geographical areas and the promotion of an increase in the diversity and vitality of neighborhoods through the spatial deconcentration of housing opportunities for persons of lower income and the revitalization of deteriorating or deteriorated neighborhoods.
- g. The restoration and preservation of properties of special value for historic, architectural, or aesthetic reasons.
- h. The alleviation of physical and economic distress through the stimulation of private investment and community revitalization in areas with population out migration or a stagnating or declining tax base.
- i. The conservation of the Nation's scarce energy resources, improvement of energy efficiency, and the provision of alternative and renewable energy sources of supply.

APPENDIX C

STATE OBJECTIVES FOR THE 2006 MONTANA COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM

HUD regulations (24 CFR Part 91) require the State to identify its community development objectives which must be developed in accordance with the federal statutory objectives of the CDBG Program. The State's objectives for Montana's CDBG Program follow.

Each CDBG applicant must describe which (one) state objective for the CDBG program is most consistent with the proposed project.

General

1. To enhance the quality of life in Montana's incorporated and unincorporated communities by eliminating blight and deterioration, encouraging private investment, rehabilitating or constructing affordable housing, providing adequate infrastructure and community facilities to protect the public health and safety and to provide vital services, and creating or retaining employment opportunities.
2. Provide funding to communities whose needs are greater than those of other communities and whose projects most effectively address local needs and the objectives of the Montana CDBG Program.
3. Encourage meaningful citizen participation in the selection, design and implementation of local community development projects.
4. Ensure that CDBG projects result in sound investment in Montana's communities and are administered efficiently, effectively and consistently with appropriate State and federal policies.
5. Encourage the recognition of potential environmental constraints on community development activities in order to avoid or mitigate potentially adverse impacts upon the human and natural environment.
6. To provide incentives for the adoption and implementation of local growth policies by encouraging the development of long-term strategies for community development activities which are coordinated and integrated with local and area-wide planning programs, including comprehensive or land use planning, public facilities planning and financing, as well as housing and economic development planning and activities.
7. To encourage preservation of agricultural land and open space by supporting development within and adjacent to existing communities.
8. Encourage improved coordination with and participation of other available public or private resources for community development projects in order to increase the impact of limited CDBG funds.
9. To encourage simplification of, and greater consistency for, application and project administration requirements established by state and federal funding programs.

Economic Development

10. Encourage viable economic development projects that promote investment of private capital, expansion of local tax bases, and creation of permanent, year round jobs principally for low and moderate-income Montanans.
11. Encourage projects that will involve basic economic activities, including manufacturing, import substitution activities; or the distribution of Montana-made goods.
12. Encourage projects that involve the processing, refining, and marketing of Montana's natural resources.

Housing and Neighborhood Renewal

13. Provide decent, safe, sanitary, and energy efficient housing by conserving and improving the condition of appropriate existing housing stock.
14. Support the renewal of deteriorated or declining residential neighborhoods or unincorporated communities through comprehensive improvement efforts that address blight, as well as housing and public facility needs, while avoiding displacement of current residents.
15. Encourage the provision of affordable and appropriate housing assistance to low and moderate income families, and in particular, to those with special needs such as those with lower incomes, female heads of family, or minority, elderly or disabled members.
16. Increase fair housing opportunity by encouraging efforts by local governments and the private sector to prevent or eliminate discriminatory or restrictive housing practices.
17. Encourage private sector investment in the provision of housing for low and moderate income families and increase the impact of local housing programs through cooperative arrangements with private lenders and the use of financial leveraging techniques.
18. Provide affordable, energy-efficient housing for low and moderate-income families located within reasonable proximity of employment, education, and social services.

Public Facilities

19. Assist communities in providing appropriate and long-term solutions to serious deficiencies in basic infrastructure and community facilities which are detrimental to the public health and safety and detract from further community development, or which are necessary to meet other essential community needs.
20. Encourage community participation in the financing of public facility projects in proportion to local financial resources and capacity to share in project costs while assuring that the facilities and services will be affordable for low and moderate-income households.
21. Assist communities in planning for long-term public facility needs, including the preparation of capital improvement plans and their integration with capital budgeting for communities as part of their annual budget process.

Technical Assistance

22. To provide technical assistance to local governments in applying for and administering CDBG funds to address community revitalization, housing and/or public facility needs, including capacity building for community planning and growth management.

I. BACKGROUND

The Community Development Block Grant (CDBG) Program is a federally funded grant program designed to help communities with their greatest community development needs. **All projects must be designed to principally benefit low and moderate income families.** The program was established by the Federal Housing and Community Development Act of 1974 (42 USC 5301) and is administered nationally by the U.S. Department of Housing and Urban Development (HUD).

The CDBG Program is divided into two major categories:

1. The ***Entitlement CDBG Program*** assists communities with 50,000 or larger populations. In Montana, only Billings, Great Falls, and Missoula are Entitlement communities. They receive CDBG funds on a formula basis and are directly under HUD administration.
2. The ***State CDBG Program*** assists communities with populations under 50,000. Allocations are established for each state on the basis of a statutory formula.

In 1981, Congress amended the Federal Housing and Community Development Act to make the Non-entitlement or "Small Cities" portion of the CDBG Program available as an optional State-administered program. The Legislature authorized MDOC to administer the program beginning in 1982. Since 1982, Montana has received over \$160 million in CDBG funds. Overall, the public and private funds invested in local CDBG projects have matched the federal funds awarded at almost a three to one ratio, making possible millions of dollars of construction activity and creating jobs for Montanans across the state.

A summary of each of the Public Facilities projects awarded funds for federal fiscal year (FFY) 2005 CDBG funds is included in Appendix A. The MDOC website:

http://commerce.state.mt.us/CDD_CDBG.asp

includes a summary of all the applications submitted to and funded by both the CDBG program and the Treasure State Endowment Program. Additional information regarding the projects awarded CDBG funds from 1982 to 2004 is available from MDOC upon request.

**II. FEDERAL FISCAL YEAR (FFY) 2006 CDBG HOUSING AND NEIGHBORHOOD
RENEWAL AND PUBLIC FACILITIES PROGRAM**

**A. NATIONAL AND STATE OBJECTIVES OF THE COMMUNITY DEVELOPMENT BLOCK
GRANT (CDBG) PROGRAM**

1. National Objectives

Under the Federal Housing and Community Development Act, the primary objective of the CDBG Program “is the development of viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income.” Under the Act, CDBG funds are intended for the support of community development activities that are directed toward specific national objectives.

The national objectives for the CDBG program are included in Appendix B. Each CDBG applicant will be asked to describe how their proposed project is consistent with the national objective for the CDBG program that is most appropriate and pertinent to the proposed project.

2. State Objectives

HUD regulations (24 CFR Part 91) require the State to identify its community development objectives which must be developed in accordance with the primary objective of the CDBG Program and the other national objectives referred to above.

The State’s objectives for Montana’s CDBG Program are included in Appendix C. Each CDBG applicant will be asked to describe how their proposed project is consistent with the state objective for the CDBG program that is most appropriate and pertinent to the proposed project.

B. PROJECT CATEGORIES

There are four major funding categories under Montana's CDBG Program:

1. Economic Development
2. Housing and Neighborhood Renewal
3. Planning
4. Public Facilities

A CDBG Housing or Public Facilities project may consist of one or more activities designed to substantially resolve a community development need. The principal activities must clearly be designed to address needs appropriate to the category applied for and must represent at least two-thirds (66 percent) of the non-administrative project funds requested; other proposed activities must be clearly complementary to and in support of the principal activities and enhance the overall impact of the project in resolving the identified problem. For example, public facilities activities, such as sidewalk and street improvements, can be included in a housing and neighborhood renewal project which primarily addresses housing rehabilitation and demolition needs because the sidewalk and street improvement activities support the overall neighborhood renewal strategy.

Economic Development Projects

Typically in Economic Development projects, MDOC grants CDBG funds to a city or county, which then lends the funds to private businesses. In return, the businesses commit to creating a specific number of jobs, a majority of which will be made available to low and moderate income persons.

The requirements for CDBG Economic Development projects are discussed in separate sets of application guidelines available from the MDOC Business Resources Division, 301 South Park Ave., P.O. Box 200501, Helena, MT 59620-0501, (406) 841-2734. These can be downloaded from the following website:

<http://commerce.state.mt.us/indexBRD.asp>

Housing and Neighborhood Renewal Projects

The CDBG Housing and Neighborhood Renewal category is intended to assist communities in a wide range of activities with the goal of providing decent, safe and sanitary housing for their residents at an affordable price and to combat blighting influences in the community. A variety of activities can be combined in one single project as part of implementation of a comprehensive housing strategy linked to the particular needs and circumstances of an individual community.

CDBG housing and neighborhood renewal projects can:

- rehabilitate substandard housing,
- support construction of new permanent, long-term housing,
- weatherize and improve the energy efficiency of homes or apartments,
- finance or subsidize the construction of new permanent, residential units where a local nonprofit organization sponsors the project,
- include site improvements or provision of public facilities to publicly-owned land or land owned by a nonprofit organization to be used or sold for new housing,
- demolish vacant, deteriorated housing units with the intent of making the sites available for new construction,
- acquire sites for use or resale for new housing,
- convert existing nonresidential structures for residential use,
- clean up junk and debris, and
- improve or construct public facilities related to a housing project, such as sidewalks, streets, or neighborhood parks.

Note - Modifying the Title of "Housing" Category to "Housing and Neighborhood Renewal"

Increasingly, the President's Office of Management and Budget (OMB) and HUD are putting pressure on the CDBG Program to demonstrate that housing activities not only assist individual housing units, but have an overall positive, visible impact on the surrounding neighborhood, as well. To reflect this emphasis, the CDBG Program is changing the title of the housing category to "Housing and Neighborhood Renewal." Over its history, a major objective of the CDBG Program has been not only to improve local housing conditions, but also to combat neighborhood deterioration and community blight, as well as to encourage public and private community reinvestment. The CDBG program encourages local governments to undertake appropriate, complementary community revitalization activities in conjunction with the principal housing activities proposed in a local project. This can include activities such as community cleanup and fix-up campaigns; demolishing hazardous, dilapidated, vacant buildings; preparing

historic inventories prior to demolition; or improving or constructing sidewalks, streets, street lighting, or neighborhood parks or playgrounds.

Planning

The CDBG program is able to play a unique role in assisting Montana communities because of its ability to offer planning grants to local governments. The grants can be used for a variety of planning activities including the initial planning necessary to get a project underway, or to conduct other important community planning activities such as preparing or updating a growth policy, preparing a neighborhood renewal plan, a housing study, a capital improvement plan, or similar planning processes designed to help a community address critical needs.

The requirements for CDBG Housing and Planning applications are discussed in separate sets of application guidelines available from the MDOC Community Development Division, 301 South Park Ave., P.O. Box 200523, Helena, MT 59620-0523, (406) 841-2791, or can be downloaded from CDBG's website at:

http://commerce.state.mt.us/CDD_CDBG.asp

Public Facilities Projects

In Public Facilities projects, CDBG funds are most often used in combination with other federal, state, or local funds to make basic community infrastructure improvements, such as drinking water and wastewater facilities, affordable to low and moderate income families. Public facility projects can also include facilities designed for use predominantly by persons of low and moderate income such as county hospitals or nursing homes, senior centers, Head Start centers, or mental health centers.

C. ELIGIBLE ACTIVITIES

The activities that are eligible for funding under Montana's CDBG Program are limited to those set out by Congress in Title I of the Housing and Community Development Act of 1974. Usually, the question of the eligibility of an activity is clear-cut and can be resolved by contacting the MDOC CDBG staff. Some activities may involve special conditions imposed by federal law or HUD regulations.

In selecting activities for a CDBG application, communities should be aware that although an activity may be legally eligible under the federal statute and HUD regulations, it may not be competitive under the guidelines and ranking system established for the Montana CDBG Program. Communities should compare any activity under consideration for a CDBG application with the ranking criteria for that category before a decision is made to prepare an application or discuss any questions they have with MDOC CDBG staff.

D. APPLICATION CYCLE FOR FFY 2006 PUBLIC FACILITIES AND HOUSING AND NEIGHBORHOOD REWEAL PROJECTS

1. Application Deadlines

(See Chapter V regarding coordination with the Treasure State Endowment Program.)

The application deadlines and grant award schedule for the grant competitions to take place in 2005 are presented on the next page. The following schedule illustrates how the program will

operate with public facilities and housing competitions taking place in the spring and fall in the calendar year before Montana's CDBG allocation is announced by HUD. Planning grants will continue to be awarded in the same year in which the CDBG funds are received.

- Planning Grant applications for FFY 2005 funds are due on April 22, 2005.
- Public Facilities applications for FFY 2006 funds are due on May 27, 2005.
- Housing and Neighborhood Renewal applications for FFY 2006 funds are due on November 4, 2005.

****Applications must be delivered or postmarked on or before the deadline date.**

Successful applicants under the Public Facilities competition announced in September, 2005 will be able to draw upon funds seven months later in April when CDBG funds are typically received from HUD. Similarly, successful Housing and Neighborhood Renewal applicants announced in February, 2006 will be able to draw upon funds two months later when the CDBG funds are normally received from HUD in April, 2006.

E. GRANT CEILINGS

Applicants should apply only for the funding necessary to carry out the project. Grant requests must be sufficient either by themselves or in combination with other proposed funding sources to complete the proposed activities within 24 months from the date of the announcement of grant award by MDOC. While the grant ceiling establishes the maximum amount, which applicants may request, individual grants will be awarded only in amounts appropriate to the scope of the identified problem, the proposed project activities, and the needs, resources and administrative capacity of the applicant.

Grant ceilings are as follows:

<u>Type of Grant</u>	<u>Maximum Grant Ceilings</u>
Housing and Neighborhood Renewal	\$ 500,000
Planning	\$ 15,000*
Public Facilities	\$ 500,000

***See Planning and Technical Assistance Grants on page 8 for explanation of decrease in grant ceiling for Planning Grants.**

F. DISTRIBUTION OF CDBG FUNDS FOR THE FEDERAL FISCAL YEAR (FFY) 2006 PROGRAM

Economic Development Category

One-third of the total amount available for new grants has been set aside to allow economic development funds to be available to applicants on a continuous basis. For the Public Facilities and Housing categories, in general, long-term needs can be identified and projects planned far in advance. In contrast, it is generally not possible to identify or plan for economic development opportunities ahead of time; however, when such an opportunity develops it requires a timely response by the community and the State to facilitate and support the development proposal. The continuous application cycle for economic development applications administered by

MDOC's Business Resources Division is designed to meet the need for more prompt response to private sector economic development initiatives.

Housing and Neighborhood Renewal and Public Facilities

For the Housing and Neighborhood Renewal and Public Facilities categories, local officials have preferred to maintain the present annual grant competition where applications are ranked against each other on the basis of specific criteria. They have long felt that a competitive process helps assure that the limited CDBG funds go to the communities with the most serious needs. For housing and neighborhood renewal or public facility projects, they have strongly supported continuing the current application process that includes an evaluation of the relative need, the thoroughness of local planning efforts, degree of citizen participation, soundness of project design, the applicant's financial need, and the degree of benefit to low and moderate income persons.

In addition, many small town and rural county officials believe that an annual competition gives them more time to prepare an application to compete with larger communities with professional staff. An annual competitive ranking process is also used to allocate funds for the planning grant category, given the high demand for these limited funds.

G. ALLOCATION OF CDBG FUNDS

In federal fiscal year (FFY) 2004, the Montana CDBG program received \$8,013,727. Montana's total allocation of CDBG funds for FFY 2005 is \$7,626,300.

State Program Administration

Extensive federal regulations accompany the program. MDOC will use a portion of the State CDBG allocation for administration of the program, as established by a federal statutory formula. The funds will be used to supplement State resources to meet regulatory requirements and to support related technical assistance to applicants and grant recipients and project monitoring activities throughout the term of local projects.

Funding For Housing and Public Facility Projects

CDBG funds for FFY 2005 will be allocated in the following manner:

Distribution of FFY 2005 CDBG Funds

<i>Total FFY 2005 State CDBG Allocation:</i>	<i>\$7,626,300</i>
<i>Less CDBG funds for State program administration (as provided by federal law)</i>	<i><u>\$328,789</u></i>
<i><u>Amount Available for Award to Local Governments</u></i>	<i>\$7,297,511</i>
<i>Less 1/3 Allocation for Economic Development Projects</i>	<i><u>\$2,432,503*</u></i>
<i>Total Available for Housing And Public Facility Projects</i>	<i>\$4,865,008</i>
<i>Less Planning Grants - Housing and Public Facilities</i>	<i><u>\$ 225,000</u></i>
<i>Sub-Total</i>	<i>\$4,640,008</i>

<i>Allocation for Housing Projects (31%)</i>	\$1,122,402
<i>Allocation for Public Facilities Projects (69%)</i>	\$3,201,605

Proposed Distribution of 2006 CDBG Funds

The following table summarizes the estimated distribution of CDBG funds for the 2006 program, assuming that the funding level is similar to that received for FFY 2005 – see page 6.

<i>Anticipated FFY 2006 State CDBG Allocation:</i>	<i>\$7,626,300</i>
<i>Less CDBG funds for State program administration (as provided by federal law)</i>	<i><u>\$328,789</u></i>
<i><u>Amount Available for Award to Local Governments</u></i>	<i>\$7,297,511</i>
<i>Less 1/3 Allocation for Economic Development Projects</i>	<i><u>\$2,432,503</u> *</i>
<i>Total Available for Housing and Neighborhood Renewal and Public Facility Projects</i>	<i>\$4,865,008</i>
<i>Less Planning Grants - Housing and Public Facilities</i>	<i><u>\$ 225,000</u></i>
<i>Sub-Total</i>	<i>\$4,640,008</i>
<i>Allocation for Housing and Neighborhood Renewal Projects (38%)</i>	<i>\$1,763,203</i>
<i>Allocation for Public Facilities Projects (62%)</i>	<i>\$2,876,805</i>

* One-third of the total amount available for new grants would continue to be set aside to allow economic development funds to be available to applicants on a continuous basis.

For several years, the U.S. Department of Housing and Urban Development (HUD) has been placing increasing pressure on all of the states and cities that administer the CDBG Program to expedite the expenditure of their CDBG funds. **Overall, Montana has had a good track record in the expenditure of CDBG funds, ranking in the top quarter of states in its rate of spending. However, in response to HUD's concerns, the Montana Department of Commerce changed the funding cycle beginning with the FFY 2003 and 2004 CDBG programs.** To accelerate the funding cycle, the Department conducted grant competitions for FFY 2002, 2003 and 2004 funding allocations during a single 24 month period. This acceleration of the grant competitions was a one-time only event.

The objective of this change was to establish a long-term annual grant application cycle for future years that would provide for the ranking of both housing and public facility applications in the calendar year prior to the actual receipt of the FFY CDBG allocation that will fund those projects. This allows MDOC to award grants to communities immediately upon notification of that year's CDBG allocation. Grants are awarded in order of the ranking scores assigned during the previous calendar year's grant competition, based on the amount of funds allocated to the housing and public facilities project categories. This eliminates the lag time between the receipt of the State's CDBG allocation and the award of those funds.

The Department can return to the earlier system that based the funding allocation between Housing and Public Facilities upon the demand between the two categories for the previous two years. Using a two-year average adjusts for any variability in the demand for CDBG public facilities funding that may be associated with the biennial cycle of the State's legislatively approved infrastructure funding programs: the Department of Natural Resources and Conservation (DNRC) Renewable Resources Grant and Loan Program and MDOC's Treasure State Endowment Program (TSEP).

In this way, the funding reserved for each category can respond to changing demand for CDBG Housing and Public Facilities grants over time. Through this method, the amounts allocated between the two categories will change based upon actual past demand; however, the basic method of distribution remains unchanged. The chart below lists the number of Housing and Public Facilities applications and the total dollars requested for the last two years.

CDBG APPLICATIONS RECEIVED 2004-2005				
	HOUSING		PUBLIC FACILITIES	
FFY YEAR	# OF APPS	TOTAL \$ REQUESTED	# OF APPS	TOTAL \$ REQUESTED
2004	6	\$2,633,500	10	\$3,776,285
2005	9	3,803,500	14	6,494,700
Total:	15	6,437,000	24	10,270,985
% of Total Applications	38%		62%	

As a result of the method of distribution described above, the allocations for the Housing and Neighborhood Renewal and Public Facilities categories for FFY 2006 funds will be established at 38% and 62%, respectively, of the total estimated available funding for these two categories or \$4,640,008. Previously, the percentage for Housing was 31% and the percentage for Public Facilities was 69%. This increase for Housing grants reflects the increasing number of housing applications and reduced number of public facilities applications during the last two years.

Planning and Technical Assistance Grants

For FFY 2006, the CDBG program will continue to set aside \$200,000 for planning grants to local governments from the Housing and Public Facilities categories, the same level as last year. The planning grant funds can be used to assist local governments in a wide variety of planning-related activities, including preparation of community growth policies, needs assessments, capital improvements plans, housing studies, and preliminary architectural or engineering plans related to construction of water and wastewater systems, and other public facilities. Given the reduction in the federal allocation for the CDBG Program and recognizing the very high demand for planning grant funds, the Department will decrease the CDBG Planning Grant ceiling for individual applications within the Housing and Neighborhood Renewal and Public Facilities categories from \$20,000 to \$15,000. This action is consistent with the reduction in funds being provided for the program this year and would allow more applications to be funded.

In addition, the program will continue to set aside \$25,000 from the Housing and Public Facilities categories to provide funding to the Montana Economic Developers Association (MEDA) to assist Montana communities with preparation of local needs assessments through MEDA's Resource Team Assessment process. For additional information on the RTA process

see the MEDA website: <http://www.medamembers.org/MEDA/> or contact Gloria O'Rourke at Montana Economic Developers Association, 118 E. Seventh St., Suite 2A, Anaconda, Montana 59711; phone: (406) 563-5259; fax: (406) 563-5476 or send an e-mail to: gloria@medamembers.org.

H. REALLOCATION OF FUNDS

1. If an applicant that has been tentatively selected for a CDBG grant award is unable to secure a firm commitment of funds and comply with other requirements for project start-up and cannot demonstrate the existence of extraordinary or clearly extenuating circumstances that would justify an extension of time, the tentative CDBG award will be withdrawn. The funds would be reallocated to the next highest ranked applicant that is ready to proceed with its CDBG project. In any case where CDBG funds must be re-allocated, the applicant would be encouraged to re-apply for the next grant competition. (See Chapter VIII, Section E., Commitment of Non-CDBG Resources.)
2. If excess funds above the last ranked grant request are available, they may be reallocated at the discretion of the MDOC Director, consistent with these guidelines, to best achieve the stated objectives of the Montana CDBG Program.
3. Unallocated funds from the current fiscal year or unexpended or uncommitted funds from previous grant awards, including CDBG-derived program income which has been returned to the State, may be reallocated at the discretion of the MDOC Director, consistent with the current adopted Application Guidelines, to best achieve the stated objectives of the Montana CDBG Program.
4. The Federal Housing and Community Development Act requires the State to distribute CDBG funds to local governments "in a timely manner." HUD encourages the State to have all of its annual allocation, excluding the State's administration funds, obligated to units of general local governments within 15 months of the State signing its grant agreement with HUD. Therefore, if after 12 months from the date of signing the grant agreement, MDOC does not have at least 95% of its fiscal year allocation obligated and announced to local governments, the Department Director may, at his or her discretion, award uncommitted funds from any funding category to fund remaining, eligible, unfunded applications to achieve this goal.

III. GENERAL REQUIREMENTS FOR SUBMITTING CDBG PUBLIC FACILITIES APPLICATIONS

To be eligible for an award of CDBG funds, applicants must comply with the following general requirements. Local officials having any concerns or questions regarding these general requirements should contact the MDOC CDBG staff for guidance as early as possible in the process of preparing an application. Special requirements unique to Housing or Public Facility projects are described in the application guidelines for each category. **The application information required to be included in applications is found at the back of the Guidelines for the Housing and Neighborhood Renewal or Public Facility categories. See Appendix D.**

A. ELIGIBLE APPLICANTS

Under federal law, eligible applicants for CDBG funding are limited to general-purpose local governments, i.e., counties, incorporated cities and towns, and consolidated city-county governments. Among Montana municipalities, only Billings, Great Falls, and Missoula are ineligible to apply to the State CDBG Program because they receive CDBG funds from a separate HUD allocation for communities with populations over 50,000. Montana's Indian tribes also receive CDBG funds from a separate HUD CDBG Program and are not eligible to apply to the State program. (For more information regarding the Indian CDBG program, please contact the Office of Native American Programs at the HUD – Denver, Colorado regional office (303) 672-5465 <http://www.hud.gov/offices/pih/ih/onap/headquarters.cfm>.) However, counties can apply for projects to assist unincorporated communities within a reservation boundary.

Special purpose agencies or organizations such as local economic development corporations, housing authorities, community housing development organizations (CHDO's), or water or sewer districts, are not eligible to apply directly. Likewise, private, non-profit organizations such as human resource development councils, area agencies on aging, or hospital associations are not eligible to apply directly. In these cases, a county or municipality must apply for CDBG funds on their behalf. If the application is funded, an interlocal agreement must also be executed between the local government and the special purpose agency or organization clarifying project responsibilities.

1. County Applications

For projects proposed to resolve problems in the unincorporated jurisdiction of a county, the county governing body is the eligible applicant. A county may apply for a project that will include activities within the jurisdiction of an incorporated city or town if the proposed activity is intended to benefit all county residents, including those located in the unincorporated jurisdiction of the county, as well as those within the city or town.

To improve cost-effectiveness for project administration, a county may apply for a grant for a project that would address the same category of community need in two or more separate unincorporated communities, as long as the total grant request is under the established ceiling. For example, a county can apply for a project that would provide public facilities for two unincorporated communities or a project that would conduct housing activities in two unincorporated communities. **If considering such a project, the applicant county would want to be sure that the involved communities have an equally high level of need and that the proposed response is equally appropriate and would achieve comparable impact on the needs of each community; if not, the application as a whole could be less competitive.**

Water or sewer users associations, because they are private, nongovernmental entities must first be established as county water or sewer districts (pursuant to Title 7, Chapter 13, Parts 22 and 23, MCA) before making an application for CDBG funds through a county government.

In limited circumstances, counties can apply for funding without the proposed project area being established as a county water and sewer district. To be eligible, the proposed area where the project would take place would be required to be connected to an existing or proposed system owned and operated by an incorporated municipality or a county water and sewer district. In addition, the municipality or county water and sewer district must provide a written commitment that it will assume responsibility for the long-term operation and maintenance of the proposed improvements upon completion of the project.

Incorporated municipalities can apply for funding for an area outside a city or town without the proposed project area being established as a county water and sewer district, provided the applicant municipality states its intent to annex the proposed area to be connected to the municipality's system by a specified future date. The municipality must provide a written commitment stating its intent to assume responsibility for the long-term operation and maintenance of the proposed improvements.

An example of this situation would be where a proposed project area is adjacent to a municipality or a county water and sewer district, and the proposed project area is not prepared or could not be annexed or included within the boundaries of the municipality or a county water and sewer district during the term of the CDBG project. In this example, a rural special improvement district (RSID) would be created to assist with the financing of the project, so that those properties benefited by the improvements are paying for the improvements. Since a RSID is not eligible to apply for funding, the city would apply on its behalf.

Proposed improvements to stand-alone independent rural water or sewer systems that are to be entirely operated and maintained through an RSID must first be legally created as a county water and sewer district before an application to CDBG may be submitted.

2. Municipal Applications

For projects proposed to resolve problems within the jurisdiction of an incorporated city or town, the city or town governing body is the eligible applicant. A municipality may apply for a project which would include an activity to be located outside city limits if the proposed activity will principally benefit residents within the city's jurisdiction, such as a solid waste disposal site or a water or sewage treatment facility. A municipality may also apply for a project in a geographic area that is located outside the city's jurisdiction if it can provide adequate assurances that the project area will be proposed for annexation within the term of the CDBG project or within a reasonable period of time after completion of the CDBG project.

Coordinated Applications

Two or more eligible applicants may apply independently for projects that, if funded, would be administered in a coordinated manner. An example would be a regional water system that involves more than one jurisdiction. In this case, each applicant would be able to apply for the maximum grant allowed, \$500,000.

Applications On Behalf of Sub-recipient Entities

Public housing authorities and non-profit organizations, such as human resource development councils or hospital associations, may manage CDBG projects and own and manage CDBG-assisted property. Private, for-profit organizations can also receive CDBG funds under special conditions. Non-profit organizations must have an Internal Revenue Service 501(c)(3) or 501(c)(4) non-profit designation to be an eligible subrecipient of CDBG funds.

B. NUMBER OF APPLICATIONS PERMITTED PER APPLICANT

Unless otherwise prohibited by the provisions of Section C below, each eligible local government jurisdiction may submit one application for a Planning grant, one application for a Public Facilities grant, and one application for a Housing and Neighborhood Renewal grant for each federal fiscal year's CDBG program. Communities that receive funding are ineligible to receive additional funds within the category assisted (housing, public facilities, and planning) until the project is substantially completed as described in Section C below.

For the purposes of this requirement, consolidated city-county governments will be considered as two separate jurisdictions: one, the former city jurisdiction and two, the former unincorporated jurisdiction of the county. For application purposes, the city and county boundaries as delineated on the date of consolidation will define the jurisdiction of each. Applications for city and county jurisdictions must conform to the requirements for municipal and county applications set out in Section A., "Eligible Applicants."

C. RE-APPLICATION

COMMENT: Congress and HUD continue to place pressure upon CDBG recipients to expend funds more quickly. The CDBG guidelines require that the older the fiscal year of the original grant award, the higher the percentage of expended funds must be in order to be able to re-apply. This system provides an incentive for CDBG recipients to complete their current projects as expeditiously as possible in order to be able to re-apply for additional CDBG funding.

Current grantees must meet the percentage completion targets described below for any project they currently have underway within the category being applied for before they can re-apply to the CDBG program. This means that a local government which had just received a Public Facility grant in the spring competition, would still be eligible to apply for and receive a Housing and Neighborhood Renewal grant in the same year's fall grant competition.

In response to concern by HUD and Congress that CDBG projects be completed as soon as possible, eligibility for reapplication is based upon the percentage of completion based on the fiscal year of grant award.

- a. A previous recipient of a CDBG award under either the Housing and Neighborhood Renewal or Public Facilities category is not eligible to reapply until the following conditions have been met for any current grant within the category being applied for:

For the May, 2005 CDBG grant competition for Public Facilities (FFY 2006 funds), the following spend down requirement applies:

FY 2005 grantees -	CDBG non-administrative funds 75% drawn or activities completed by the date of application.
FY 2004 grantees -	CDBG non-administrative funds 90% drawn or activities completed by the date of application.
FY 2003 grantees -	CDBG non-administrative funds 100% expended and project completion report submitted by the date of application.
FY 2002 grantees and all earlier years -	Project closed out (conditional or final) by the date of application and audit scheduled by the date of application.

b. To be eligible to apply, a previous recipient of a CDBG award must:

- (1) Be in compliance with the project implementation schedule contained in its CDBG contract with MDOC for any current grant awarded under either the Public Facilities or Housing and Neighborhood Renewal category, and
- (2) Not have any unresolved audit or monitoring findings related to any previous CDBG grant award.

D. NUMBER OF GRANT AWARDS PERMITTED PER JURISDICTION

During any program year, a local government jurisdiction may be awarded a maximum of two grants, one from the Public Facilities category and one from the Housing and Neighborhood Renewal category. In addition, each local government may be awarded one planning grant each year; however, those governments with a current CDBG planning grant are ineligible to apply for an additional planning grant until their current planning project is completed and closed out.


IV. APPLICATION EVALUATION AND RANKING FOR THE HOUSING AND NEIGHBORHOOD RENEWAL AND PUBLIC FACILITIES CATEGORIES

Because of the serious problems faced by Montana communities, the demand for CDBG funds has typically exceeded the amount available. Because the program is competitive, MDOC has developed an application ranking procedure to methodically evaluate the degree to which a proposed project responds to the objectives of Montana's CDBG Program and the criteria for its type of project. The grant categories use parallel but somewhat different ranking criteria in an effort to provide measures that are appropriate to each type of project. The assignment of points allows MDOC staff to systematically rank the projects in order of quality in a manner that is accountable to the criteria in these guidelines. The point weights also provide a mechanism to compare ranking scores to assure that applications are being evaluated consistently and fairly.

A. SELECTION OF APPROPRIATE PROJECT CATEGORY

The selection of the appropriate project category is the applicant's responsibility. Local officials having any concern or questions regarding the proper category for the CDBG project they are considering should contact the MDOC for guidance as early as possible in the process of preparing an application. The applicant will be notified if an application is submitted under an inappropriate category.

The individual applications submitted under each project category will vary depending upon the project activities proposed, the size and character of the community applying, and each applicant's unique response to its own particular community's specific needs. Because no purely quantitative measures exist which can anticipate the variety of potential community development needs and all responses to them, the ranking must be, in part, subjective. In evaluating the applications, MDOC will take into account how well each applicant addresses the problems it has defined, relative to its capacity and resources.

 **SUGGESTION:** Any project under consideration for a CDBG application should be compared against the ranking criteria for the appropriate project category. Each criterion has been assigned a number representing its relative priority or weight. By reviewing the ranking criteria, the weight in potential points assigned to them, and the examples of ranking issues that will be considered, applicants should have a better sense of the major issues involved in designing a competitive proposal. Any person with a question or concern regarding any of the ranking criteria should contact the Department's CDBG staff prior to application.

B. RANKING PROCEDURES

1. Upon submission, MDOC CDBG staff will review each application for completeness and for conformance to federal and State CDBG requirements. An application may be disqualified from a scheduled grant competition if it fails to comply with a general requirement applicable to all CDBG applications or a special requirement for the grant category applied for. Disqualified applicants will be notified in writing of the reason for disqualification.

Applicants are expected to keep MDOC informed of any developments during the review process that could affect the viability of the proposed project. MDOC may contact the applicant to obtain omitted information, to clarify issues, or to verify information contained in the application.

2. Ranking teams for each project category will be appointed from MDOC staff. The ranking teams will evaluate applications using the appropriate criteria and numerical point systems described in these CDBG application guidelines. The ranking teams will serve in an advisory capacity to the MDOC Director regarding the applications that should be considered for CDBG awards. MDOC will provide for the evaluation of applications by technical authorities, state or federal agency staff, or qualified professionals, when necessary to assure adequate review.

CDBG Program staff does not have the time or resources to conduct on-site reviews of CDBG proposals; therefore, each applicant must adequately communicate to the ranking teams, through the written application, the process used to determine community needs and must demonstrate that it has proposed sound solutions to those needs. MDOC may supplement written application materials, as needed, by consulting public or private agencies knowledgeable about proposed projects, particular community problems, or the applicants' past performance in administering public facility or housing projects, other MDOC programs, or in managing public funds.

3. After reviewing each application and any technical review comments, the ranking team will assess the degree to which the proposed project responds to each of the applicable criteria. Scores will be assigned according to the point values established for each criterion. **Failure to respond to a criterion or to comply with a pertinent and important application requirement will result in no points being awarded for that criterion.** If the ranking team determines that the applicant has inadequately documented specific statements or claims made in responding to a criterion, it may assign the application a lower score than would otherwise have been assigned based on the statement or claim itself. Likewise, numerical or percentage claims, such as for benefit to low and moderate income persons, will be accepted and considered valid only to the extent to which accompanying documentation has clearly substantiated them and complied with MDOC requirements for documentation. Because each application must stand or fall according to the intrinsic merits of the written application, representatives of the applicants may observe, but cannot participate in the application review, discussion, and ranking process.
4. The ranking teams will submit their written findings and recommendations for grant awards to the MDOC Director for his or her consideration, based upon the order of scores assigned by the ranking teams for the applicants in each category. The Director will make the final decision on grant awards. If the Director revises any of the scores assigned by the ranking teams or selects an application for award other than those recommended by the ranking teams, the Director will prepare a written statement, consistent with the criteria established in these application guidelines, describing the rationale upon which the alternate score was assigned or the award was made.

The actual number and types of awards will be subject to funding availability, the amount of each applicant's request, and the procedures set out under "Distribution of Funds." In the event of tie scores, preference will be given to applicants that have not received CDBG assistance before and on the basis of overall ranking of the proposed projects.

V. **PUBLIC FACILITIES PROJECTS**

A. INTRODUCTION

In public facility projects, CDBG funds are most often used in combination with other federal, state, or local funds to make public improvements affordable for low and moderate income families. Activities may also include direct assistance to low and moderate income families such as payment of special assessments or hookup charges for public improvements. Public facility projects can also include facilities designed for use predominately by persons of low and moderate income such as county hospitals or nursing homes, senior centers, Head Start centers, or mental health centers.

Non-profit entities may acquire title to public facilities such as senior centers, centers for the disabled, nursing homes, and neighborhood facilities. When such facilities are owned and/or operated by non-profit entities, they must be available for use by the general public during all normal hours of operation. Non-profit organizations must have an Internal Revenue Service 501(c)(3) or 501(c)(4) non-profit designation to be an eligible sub-recipient of CDBG funds.

Applications to Provide Temporary or Short-Term Housing Facilities

Projects designed to provide housing facilities to be owned or operated by local governments or private, non-profit corporations must be submitted under the fall Housing and Neighborhood Renewal grant competition. This would include projects designed to provide temporary or short-term housing facilities to be owned or operated by local governments or private, non-profit corporations such as transitional housing, homeless shelters, or emergency shelters.

Under federal law, "buildings for the general conduct of government" are ineligible for CDBG assistance. This includes city halls, county courthouses, county or municipal administrative office buildings or other facilities in which the legislative, judicial or general administrative affairs of government are conducted.

Special purpose agencies or non-profit organizations (such as water, sewer, or solid waste districts or human resource development councils or hospital associations) considering public facility improvements should carefully review Section A., "Eligible Applicants," in Chapter III of these guidelines as well as the "Special Requirements for Projects Involving Non-profit or For-profit Organizations" found in Appendix N.

A county may sponsor an application on the behalf of a county or multi-county water and sewer, or solid waste district. Water or sewer users associations, because they are private non-governmental entities, and rural special improvement districts (RSID), must first be legally established as a county or multi-county water and sewer, or solid waste district (pursuant to sections 7-13-22 and 23, MCA) prior to the submission of a CDBG application. In these cases, the applicant county will be required to submit documentation with the application substantiating the legal creation of the district. At a minimum, the application must submit a copy of the county resolution creating the district and a certificate of incorporation from the Montana Secretary of State.

B. SPECIAL REQUIREMENTS FOR PUBLIC FACILITIES PROJECTS



IMPORTANT INFORMATION FOR APPLICANTS

TO APPLY FOR CDBG PUBLIC FACILITIES GRANT FUNDING, PLEASE DO THE FOLLOWING:

- 1) Follow instructions in **Appendix D**, *Application Instructions and Format for CDBG Public Facility Projects*;
- 2) Submit complete responses for each of the criteria outlined in *C. Public Facilities Category Ranking Criteria* found in this chapter.
- 3) Comply with the applicable special requirements of this section.

1. Capital Improvements Plan

A “Capital Improvements Plan” (CIP) is a document that helps communities identify their public facility needs, establish project priorities, and create a long-range program for the scheduling and funding of construction or repair projects. A CIP should be prepared, updated, and reviewed annually in conjunction with the local government's annual budget process and used to prioritize budgetary needs. The adoption of a CIP is simply good business for local governments. It can help your community, or county, anticipate upcoming capital expenditures and more effectively manage construction, maintenance, and repair costs related to public facilities.

An adopted CIP is not a prerequisite for applying for CDBG funding, although an applicant will typically receive more points during the ranking process if it has done so. **However, applicants that are awarded CDBG public facility funds for water, wastewater, or solid waste improvements and that do not have a CIP, will be required as part of the project to develop an abbreviated CIP that covers at least a five year period.** At a minimum, the abbreviated CIP must encompass the following facilities:

- For municipalities, the CIP would need to cover both the water and wastewater systems, and city streets. If the municipality is lacking either a water or wastewater system, then only the one system, in addition to the streets, would need to be addressed in the plan.
- For county applications on behalf of water and sewer districts, the CIP would need to cover both the water and wastewater systems of the district. If the district is lacking either a water or wastewater system, an abbreviated-CIP is not required, since that information for the single system should be addressed in the Preliminary Engineering Report (PER). If all of the system's deficiencies are not to be addressed in the project, the PER should include a plan of action to resolve the remaining deficiencies.
- Since under the federal CDBG statute, counties (as units of general local government) must apply on behalf of water and sewer districts, counties are also

encouraged, but are not required, to set aside a portion of the proposed CDBG project budget to prepare a county-wide CIP addressing county facilities, such as roads, bridges, hospitals, nursing homes, and any other major public facilities the county is responsible for.

- For solid waste projects, the CIP is not required, since that information should be addressed in the PER. If all of the system's deficiencies are not to be addressed in the project, the PER should include a plan of action to resolve the remaining deficiencies.

A CIP should contain specific information in order to be useful and effective. **In order to meet the CDBG requirements, at a minimum, the CIP must include the following information:**

- 1. An inventory of existing facilities and their general condition** (This information should be general and will typically be obtained from the persons responsible for managing and operating the system. It is not expected that a detailed engineering analysis be performed to obtain this information);
- 2. Population projections and their impact on existing facilities;**
- 3. Identification and prioritization of needs or projects;**
- 4. Indication of the year projects are scheduled to be accomplished;**
- 5. Estimated cost for each of the projects;**
- 6. Identification of the amount and potential sources of funding for each of the projects; and**
- 7. Identification of the timing and any other specific requirements associated with obtaining funding for the projects.**

The requirement to complete a capital improvements plan is intended to encourage more effective long-term planning for the construction, maintenance, and financing of local public facility projects. By preparing a simple CIP while an engineer is already on-site working on a CDBG public facilities project, the cost of the CIP will be reduced and the community will be left with a basic "road map" for dealing with its future public facility needs when the current CDBG project is complete.

CDBG funds may be used to pay for the preparation of the CIP as part of the project and should be included in the project budget.

2. Coordination of CDBG Ranking with the Treasure State Endowment Program (TSEP)

- Applicants seeking CDBG funds as well as TSEP funds that must be approved by the 2007 Legislature for the same project must apply to both CDBG and TSEP in May 2006.

These CDBG water and wastewater applications will then be reviewed concurrently with TSEP applications during the summer of 2006.

- All non-CDBG funding sources for Public Facilities projects must be firmly committed by July of the year following the date of announcement of tentative CDBG grant award. CDBG funds for any given fiscal year are typically received by the Montana Department of Commerce during the month of April. Successful Public Facilities applicants which received notice of tentative grant award in September, 2005 must have other non-CDBG funding sources firmly committed by July, 2006.
- Applications submitted to CDBG in 2005, 2007, etc. (the years when TSEP will not be accepting applications) may request that engineering scores assigned by TSEP previously for the same project be used by CDBG. In these cases, it is not necessary for these CDBG applicants to prepare new responses to the individual ranking questions for CDBG criterion 2, "Need for Project" and criterion 3, "Project Concept and Technical Design", as applicable.
- It is the responsibility of the applicant to make sure that the information submitted in a PER conforms to the outline described in the most current version of the Uniform Application for Montana Public Facility Projects. For more information, please check the following website: <http://www.dnrc.state.mt.us/cardd/uniform.html>
- If a Preliminary Engineering Report (PER) submitted as part of an earlier competition has been modified materially since the last CDBG or TSEP competition, it is the responsibility of the CDBG applicant to clearly identify the new or revised information or any other modifications of the PER. For CDBG applications for which the PER has been materially modified or revised, the application will receive a new, separate engineering technical analysis and will be assigned an appropriate score based on the CDBG ranking criteria. The CDBG program will not provide a new ranking of a previous TSEP or CDBG application unless the applicant can demonstrate that the application has, in fact, been modified materially since the prior submission.

3. Payment of Hookup Charges and Special Assessments

The Federal Housing and Community Development Act imposes special requirements on projects which will be financed entirely or partially by hookup charges or assessments on property, such as through a special improvement district.

For Areas with 51% or Greater Low and Moderate income Persons:

If a community intends to finance its public facility project through the use of special assessments or hookup charges and is requesting CDBG funds to financially participate in the project, the community would be required to use CDBG funds to pay the entire assessment or hookup charge for each low and moderate income household within the project area that wants to receive assistance. If the community determines that the CDBG grant amount is not sufficient to allow it to pay assessments for all low and moderate income persons, it would certify that fact to MDOC, and in this event **either**:

- a. provide CDBG funds to pay all the assessments for low income households only,
or
- b. use a portion of the CDBG funds to pay for all low-income households, and distribute the balance of CDBG funds remaining among moderate income

households by prorating the amount of CDBG assistance in proportion to the level of household income.

Assessments in Areas with Less Than 51% Low and Moderate Income Persons:

The Federal Housing and Community Development Act authorizes the use of CDBG funds for payment of special assessments levied against properties owned and occupied by persons of low and moderate income in neighborhoods or communities where less than 51% of the residents are low and moderate income (LMI). This permits a local government to use CDBG funds to pay special assessments levied against properties owned and occupied by LMI persons even when less than 51% of the area residents are LMI.

However, an important limitation on this option is that in project areas with less than 51% low and moderate income, CDBG funds can only be used to pay for assessments for LMI individuals and not for other related engineering or construction costs. When paying assessments for qualified LMI households, the local government must pay 100% of the assessments for low-income households, to the extent possible. If any CDBG funds to be used for assessments remains after all the low-income households assessments are paid, then that remaining amount is to be prorated among the qualifying moderate income households.

Properties owned or occupied by low or moderate income families which will be assisted by paying special assessments or hookup charges must be intended for occupancy the majority of the calendar year. Applicants considering an application that proposes to use CDBG funds to pay assessments for LMI households should consider retaining a qualified bond counsel since each project is unique and may have special requirements. Applicants having any questions regarding these issues should contact MDOC CDBG staff for guidance.

Sample policies and forms for provision of CDBG assistance for special assessments are available from MDOC CDBG staff. The CDBG booklet, "Documenting Benefit to Low and Moderate Income Persons" includes a discussion of methods by which CDBG funds can be targeted to benefit low and moderate income households as part of public facility projects.

4. For Projects Involving Non-Profit Or For-Profit Entities:

- a. Applicants applying on behalf of nonprofit organizations which will operate and own or lease an assisted facility or project and for-profit entities that commit to serving LMI citizens must provide the information required under "Special Requirements for Projects Involving Nonprofit or For-Profit Organizations," found in ***Appendix N***. Applicants should provide thorough responses to the requested information because it will be used as a key element in ranking applications involving non-profit or for-profit organizations.
- b. For applications where facilities or activities are proposed that will remain the responsibility of a nonprofit or for-profit entity, the applicant must provide a statement regarding past accomplishments of the organization and plans for assuring proper operation, maintenance, and long-term management of the facilities or activities.

c. Cash Flow Analysis

Adequate income projections are necessary to demonstrate the long-term financial soundness of the project. The organization must provide projected balance sheet and revenue and expense statements for a three-year period following receipt of CDBG funds which includes all existing and projected debts and lenders, annual debt service amounts, and any related loan requirements, as well as current and long-term operating capital needs.


Adequate income projections are necessary to demonstrate the long-term financial soundness of the project. The organization must provide projected balance sheet and revenue and expense statements for a three-year period following receipt of CDBG funds which includes all existing and projected debts and lenders, annual debt service amounts, and any related loan requirements, as well as current and long-term operating capital needs.

In addition, a detailed proforma must be provided, outlining projected expenses such as management and administration costs; utility costs; repairs and maintenance costs; insurance and taxes; reserves; and debt service. Section C, Part V and VI of the Uniform Application For Montana Housing Loan, Grant, & Tax Credit Programs, March, 2004 Edition provides a proforma that can be utilized to provide this information.

(Available at: http://www.housing.state.mt.us/Hous_Apps.asp#uniform.)

Other project specific models are available upon request from MDOC CDBG staff.

The projections must include an explanation of how the figures and assumptions were developed.

 ***Please note that MDOC has resources to assist you in preparing your grant application. You can borrow copies of previously successful public facility applications submitted by communities and other related reference materials are available upon request from MDOC staff.***

C. PUBLIC FACILITIES CATEGORY RANKING CRITERIA

Public Facilities applications will be evaluated according to the following criteria and may be assigned up to a maximum of 800 points:

1. Community Planning and Citizen Participation	125 Points
2. Need for Project	125 Points
3. Project Concept and Technical Design	100 Points
4. Community Efforts	75 Points
5. Need for Financial Assistance	150 Points
6. Benefit to Low and Moderate Income	100 Points
7. Implementation and Management	<u>125 Points</u>
TOTAL:	800 Points

COMMENT: A Public Facilities application must receive a minimum score of 500 points in order to be eligible to receive CDBG funds.

**NOTE:**

Each applicant must submit a narrative response to each ranking criterion. Failure to respond to a criterion or to comply with a pertinent and important application requirement will result in no points being awarded for that criterion.

For ease of reference, any documentation or exhibits related to the applicant's response to a CDBG ranking criterion should be placed in the application immediately following the applicant's narrative response to that criterion.

ASSIGNMENT OF SCORING LEVELS

Each application will receive points depending upon its overall response to each criterion, “relative to its capacity and resources” and in comparison with the other applications submitted. The list of general definitions and scoring levels are used as a guide in determining scores for each criterion. There are numerous variables involved in scoring each of the seven criteria; as a result, the point level assigned may be higher or lower than the scoring level definitions would imply. Each application will be compared to the ranking issues under each ranking level to determine which level, overall, best reflects the application’s response or situation relative to the ranking criterion. It should be understood that the ranking team must have the ability to apply flexibility and judgment in assigning scores. In addition, as a result of continuing efforts to improve on the scoring levels, the scoring levels may be modified somewhat at any point in the process.

GENERAL DEFINITIONS FOR CDBG RANKING CRITERIA SCORING LEVELS

The following general definitions would be applied to all non-quantitative ranking criteria relative to the overall quality of the applicant's response or situation relative to the ranking criteria and applicable special requirements. The level actually assigned will also depend upon the applicant's specific responses to the overall ranking criterion and the applicable ranking issues listed under each criterion.

LEVEL 5

In order for an application to receive a "LEVEL 5", it would have to have provided a very complete narration that thoroughly addressed the overall criterion, applicable ranking issues, and minimum requirements, including very complete substantive supporting documentation to support its claims. The Applicant's response to the ranking criterion (or the Applicant's actions or situation relative to the ranking criterion) is considered exemplary, particularly innovative, or to be extremely consistent with the intent of the ranking criterion. There were no ranking issues of any significance that were not adequately addressed.

LEVEL 4

In order for an application to receive a "LEVEL 4", it would have to provide a very thorough narration addressing the overall criterion, applicable ranking issues, and minimum requirements, with strong documentation to support its claims. The Applicant's response to the ranking criterion (or the Applicant's actions or situation relative to the ranking criterion) is considered above average, very thorough, or to be very consistent with the intent of the ranking criterion. A "LEVEL 4" score would not reflect the level of excellence or be as consistent with the intent of the ranking criterion as a "LEVEL 5" would be. The application may not have completely addressed some ranking issues, but these were considered to be minor concerns.

LEVEL 3

In order for an application to receive a "LEVEL 3", it would have provided an adequate narrative addressing the overall criterion, applicable ranking issues, and minimum requirements, with acceptable documentation to support its claims. The Applicant's response to the ranking criterion (or the Applicant's actions or situation relative to the ranking criterion) is considered average, adequate, or to be generally consistent with the intent of the ranking criterion. The application meets the minimum requirements for responding to the criterion and has

documented compliance with the special requirements that are pertinent to the ranking criterion; however, the application may not have adequately considered some ranking issues that were considered to be potentially important.

LEVEL 2

In order for an application to receive a "LEVEL 2", it would have provided some narration addressing the overall criterion, ranking issues, and minimum requirements, but may have provided weak or inadequate responses and/or documentation to clearly or completely support its claims or compliance with a requirement. The Applicant's response to the ranking criterion (or the Applicant's actions or situation relative to the ranking criterion) is considered below average, inadequate, or not entirely consistent with the intent of the ranking criterion. The application has not met all the minimum requirements for responding to the ranking criterion or has not complied with all the special requirements that are pertinent to the ranking criterion. The application may not have been complete or did not consider or adequately address some ranking issues that were considered to be important.

LEVEL 1

In order for an application to receive a "LEVEL 1", it would have serious weaknesses in its narrative responses to the ranking criterion, ranking issues, and lack critical supporting documentation, or would fail to adequately document compliance with one or more of the general, threshold CDBG requirements or a critical special requirement for the category applied for. The Applicant's response to the ranking criterion (or the Applicant's actions or situation relative to the ranking criterion) is considered very weak, seriously inadequate or inconsistent with the intent of the ranking criterion. The application either did not address or did not provide sufficient information regarding several critical ranking issues.

LEVEL 0

In order for an application to receive a "LEVEL 0", it would have failed to provide a response of any kind or would not meet a general statutory threshold requirement for the CDBG program that is related to the ranking criterion.

The above scoring levels will be used to assign scores for Criterion 1, "Community Planning and Citizen Participation" and Criterion 7, "Implementation and Management."

1. COMMUNITY PLANNING AND CITIZEN PARTICIPATION -- 125 points.

RANKING CRITERION

The “Community Planning and Citizen Participation” criterion considers the following, relative to the capacity of the applicant:

- The adequacy and thoroughness of the planning process and citizen participation efforts used by the applicant to identify overall community development needs for housing and neighborhood renewal, public facilities and economic development, including the needs of low and moderate income persons, the relative priority for addressing those needs, and the activities or actions it plans to meet the identified needs.
- The extent to which the proposed project is consistent with expressed public opinion and the applicant’s community development objectives and priorities, as well as the national and state objectives for the CDBG Program.
- The degree to which the applicant has considered the needs of low and moderate income residents and how the proposed project will benefit or impact low and moderate income persons.
- Whether the applicant has conducted a well documented and thorough analysis of overall public facilities needs, has used appropriate criteria and procedures for establishing the relative priority of the identified public facilities needs, and has considered the relationship of the proposed project to other identified community development needs and the activities or actions planned to meet them.

The Community Needs Assessment Process for the CDBG Program

The basic framework of Montana’s CDBG Program was established in 1982 by a 14-member Task Force composed of local government officials that was appointed by the Montana Department of Commerce (MDOC) to design the State’s CDBG program. The Task Force recommended including a requirement that communities conduct a “needs assessment” process before applying for CDBG funding. The intent of Task Force members was to encourage Montana communities to move away from a “crisis management” approach to community problem-solving and instead adopt a view of community development as a long-term process of planned, incremental actions to improve the community over time. In addition, the Task Force members felt strongly that broad public involvement was critical for the process of setting community development goals and priorities.

Subsequently, in 1984, Congress amended the Federal Housing and Community Development Act to require that each CDBG recipient “identify its community development and housing needs, including the needs of low and moderate income persons, and the activities to be undertaken to meet such needs.” According to the legislative history for the amendment, Congress established this requirement to promote better-coordinated strategies for addressing local needs, particularly as they affect low and moderate income persons. Apparently, Montana’s CDBG Task Force and Congress independently developed similar requirements to address similar concerns.

The Montana CDBG Program requires that each local government applicant for a Public Facilities or Housing CDBG project must conduct a planning process that considers and describes:

1. The applicant's community development needs, including the needs of low and moderate income persons, in the areas of economic development, housing and neighborhood renewal, and public facilities;
2. The applicant's relative priorities for responding to the identified needs; and
3. Any actions it plans to meet the identified needs.

A Special Note to Counties:

The county governing body is the appropriate, eligible applicant for CDBG projects intended to:

- resolve problems within the unincorporated jurisdiction of a county;
- resolve problems that are truly countywide, regardless of jurisdiction;
- assist a non-profit entity (such as a Human Resource Development Council) which serves county residents; or
- resolve problems within the boundaries of county water and sewer districts.

When a county government is the applicant, the CDBG needs assessment process applies to the entire county, not just the needs of a specific sub-recipient or unincorporated community being sponsored by the county. Any CDBG application submitted by a county on behalf of a sub-recipient or unincorporated community, should describe the county's overall, countywide community development needs (including the unincorporated geographic area of the county), in addition to the particular needs of the entity which the county is applying on behalf of. The description should cover, at a minimum, all of the basic CDBG project categories (economic development, housing, and public facilities).

For example, this process applies to counties applying on behalf of county water and sewer districts. Under Montana law, county water and sewer districts fall within the unincorporated jurisdiction of a county and the county government is considered the appropriate applicant under the Montana CDBG program. Since the county government is considered the "applicant", the CDBG needs assessment applies to the entire county, not just to the specific water and sewer district being sponsored by the county.

It is the intent of Montana's CDBG Program that governments take full advantage of their local planning programs and not unnecessarily duplicate their local planning efforts solely for the purpose of complying with the CDBG "community needs assessment" requirement. In many cases, a local government may have already identified community development and housing needs by preparing a community "growth policy." (The 1999 Montana Legislature, substituted


the term "growth policy" for what was previously referred to as a "comprehensive plan" or "master plan" in state law.) Where a community has an existing, adopted growth policy, MDOC strongly encourages local officials to use it to meet the requirement that CDBG applicants "identify community development and housing needs" and possible activities to meet those needs.

Given the limited resources available to most communities, MDOC discourages stand-alone planning activities or community surveys that are intended for CDBG application purposes only, which are not being coordinated with the local government's on-going planning program.

There is no one recommended procedure that applicants should use in identifying community development needs and possible solutions for those needs. Some people think that a "needs assessment" means a community survey. A survey is one way to identify community needs, but there are other equally effective techniques. In the past, some local governments have assigned the task of identifying needs to an existing local planning board. Others have formed special short-term task forces or citizen committees or utilized community-wide town meetings, neighborhood meetings, or interviews with community leaders.

Some communities have already conducted very similar planning or needs assessment processes that may be used to meet the federal CDBG requirements to identify community development and housing needs. These include:

- Preparation of city or county growth policies.
- A number of communities have prepared "Resource Team Assessments" in conjunction with the Montana Economic Developers Association (MEDA). For additional information on MEDA's Resource Team Assessment process, see the MEDA website: <http://www.medamembers.org/MEDA/> or contact Gloria O'Rourke at Montana Economic Developers Association, 118 E. Seventh St., Suite 2A, Anaconda, MT 59711; phone (406) 563-5259; fax (406) 563-5476 or send e-mail to: gloria@medamembers.org.
- Several counties and multi-county areas have prepared a "Comprehensive Economic Development Strategy" (CEDS), previously termed "Overall Economic Development Plans," with funding from the U.S. Economic Development Administration (EDA). The CEDS is a prerequisite for receiving financial assistance from several EDA programs.
- Some Montana communities have developed "Community Action Plans" with grants from the U.S. Forest Service.
- Other Montana communities have prepared "Needs Assessments," "Strategic Plans" or "Community Vision Plans," many with assistance from the community development staff from Montana State University's Cooperative Extension Service.

 Any of these planning processes can potentially be used to fulfill the community needs assessment requirement.

The CDBG requirement to evaluate community needs and identify activities to meet them can also provide an opportunity to review existing special purpose plans such as for capital

improvements, economic development, housing, or neighborhood renewal areas to determine if they still adequately reflect current conditions, needs, and community priorities.

The intent of the needs assessment process is to provide a community with a list of potential projects or actions that could be pursued over a period of years in order to improve the community. The needs assessment process does not have to be repeated if a previously prepared needs assessment, or planning process still accurately reflects existing conditions and priorities. ***If an existing needs assessment will be used as the basis for re-application, the local government can simply solicit public comments on the previously identified community needs and priorities and the planned activities to meet the needs at one of the required public hearings to see if they still appear to be appropriate.***

Some local governments have asked how often a community should re-evaluate community needs. In general, once every five years has been used as a standard, but the timing can vary according to local circumstances, particularly, if major changes have occurred within the community. For example, the State Legislature requires that local government growth policies be reviewed every five years and revised, if necessary. With the release of detailed 2000 U.S. Census data in 2003, now may be a good time for Montana local governments to identify their needs for the remainder of this decade as part of a comprehensive, community-wide needs assessment approach, especially if a needs assessment has not been conducted recently.

Whether or not your community ultimately decides to apply for CDBG funds, the process of periodically involving local citizens in identifying community needs and priorities and possible activities to deal with them, is, in itself, valuable. It can provide local elected officials and other community leaders with important feedback from citizens on their major concerns regarding the community and provide a “road map” for future community projects.

Alternative approaches for identifying community needs and possible solutions for them are explored in more detail in the CDBG handbook, The Community Needs Assessment Process. Copies are available upon request from MDOC CDBG staff, or available from the CDBG website at:

http://commerce.state.mt.us/CDD_CDBG_CN.asp

Citizen Participation Requirements for the Community Development Block Grant (CDBG) Program

The citizen participation process should be viewed as more than simply compliance with a grant application requirement. The public involvement process can be a key factor in developing community understanding and support for a proposed CDBG project and ultimately lead to a more successful project. By involving the public up-front in the development of grant proposals, local governments can build the foundation for long-term community support for its community development program. A closely related concern is whether the needs assessment process meets federal CDBG requirements for providing citizens, especially low and moderate income residents, adequate notice and opportunity for meaningful involvement in the local planning process.

Based on HUD regulations, the Montana Department of Commerce has adopted the following requirements to insure adequate citizen participation:

Unless re-applying for the same project submitted unsuccessfully in the previous year, the applicant must hold a minimum of two public hearings, one before preparing the application and one prior to passage of a resolution by the governing body authorizing the submission of the application. Applicants should hold the first public hearing not more than twelve months prior to the date of application. The second public hearing should be held not more than three months prior to the date of application.

A record of the required hearings must be submitted with the application for CDBG funds, along with copies of the public notices for the hearings or affidavits of publication for the notices. A verbatim record is not necessary; applicants should provide a list of the names of persons who attended and a summary of comments by local officials and citizens which is sufficient to reflect the comments made by those attending the meeting.

Applicants reapplying for the same project submitted unsuccessfully in the previous year must still hold at least one public hearing prior to the passage of the resolution by the governing body authorizing the submission of the application. The applicant should hold the hearing not more than three months prior to the date of application.

If an unsuccessful CDBG applicant is re-applying for a CDBG project, or if a community has previously gone through a needs assessment process, it is not necessary for the community to repeat an exhaustive needs identification process "from scratch." If the community development and housing needs and priorities previously identified still appear to accurately reflect existing community conditions and priorities, the local government can simply solicit public comments on the previously identified community needs, and the planned activities to meet the needs, at the first required public hearing to confirm that the previous needs assessment still appears valid.

Public notice must be provided before public hearings are held. Notice of each public hearing should be published at least once in a newspaper of general circulation in the community at least seven days prior to the hearing. Where possible, notice should also be directed to persons of low and moderate income or those persons who will benefit from or be affected by CDBG activities and/or groups representing low and moderate income persons. Hearings must be held at times and locations convenient to the general public and with reasonable accommodations for handicapped persons. For hearings where a significant number of non-English speaking residents can be reasonably expected to participate, federal law requires that arrangements be made to have an interpreter present.

In all cases, the local government must conduct the required public hearings, even if the local government is considering applying on behalf of a subrecipient, such as a local housing authority, human resource development council, or a county water and sewer district. Having the local government conduct the hearings, rather than delegating the task to a potential recipient of the CDBG funds, provides the most objective forum for considering alternative community needs (and potentially competing proposals for CDBG projects) and encourages a more frank discussion regarding any proposed community development projects.

SUGGESTION FOR APPLICANTS: Local officials and MDOC staff are well aware that formal public hearings are sometimes a very ineffective means of getting people involved or encouraging meaningful dialogue or discussion. The required CDBG “hearings” do not have to be formally structured or even be conducted in a hearing format to meet the CDBG public hearing requirement.

The CDBG Program encourages a neutral setting that promotes open discussion and an exchange of ideas regarding all community development and housing needs, priorities, and possible solutions. This can include an open town meeting or facilitated small group discussion with a final summation of identified community needs and solutions. Local officials may also want to use additional public involvement techniques such as open houses or presentations to local organizations to make more citizens aware of community needs and to solicit their ideas.

The First Public Hearing

The first public hearing is intended to give citizens an opportunity to identify and discuss their community's overall community development and housing needs and priorities, including the needs of low and moderate income persons, and to propose possible community improvement projects to meet those needs before the local government makes a decision on what project or projects it will seek CDBG assistance for. The first hearing should also cover:

- the amount of state CDBG funds estimated to be available to Montana communities and
- a description of the kinds of activities that are eligible to be assisted with CDBG funds.

The purpose of the first hearing is to provide an objective and neutral forum for considering overall community needs and potentially competing or alternative proposals for CDBG projects to deal with those needs, within the local government's jurisdiction. **Applicants should hold the first public hearing not more than twelve months prior to the date of application.** Appendix H provides a sample model notice for the first public hearing.

SUGGESTION FOR APPLICANTS: As a practical matter, MDOC CDBG staff understand that local officials may have a possible project in mind for a CDBG application before the first public hearing to "identify community development and housing needs" is held. However, it is very important that the location of the first hearing be considered a neutral site, not intended to skew the selection of the proposed project toward a pre-determined community need, so that all potential CDBG projects can receive fair consideration before a decision to submit a particular project is made. For example, even though a county government may be considering a project to serve a particular unincorporated community, the first public hearing should be held in the county seat, rather than in that unincorporated community, so that all potential community development and housing needs can receive fair and impartial consideration as a potential CDBG project.

The same concept would apply to a city considering a project in a particular neighborhood. Likewise, a local government may be considering an application on behalf of a non-profit organization, such as for improvements to a senior center. In this case, it would be inappropriate to hold the hearing for identifying community needs at the senior center since this may discourage advocates for other community needs from coming forward or speaking out. The site of the first public hearing should be a neutral one that would encourage fair and impartial consideration of all potential CDBG projects.

In some cases, a local government may need to respond to a mandate from a state agency to improve a specific public facility. They may be under strong legal pressure to accomplish a particular project, such as upgrading the city wastewater treatment plant. The reason local officials rank this issue as their number one need is understandable. In this case, the citizen participation process can still be a valid way to educate local citizens regarding the community's obligation to assure adequate sewage treatment to protect Montana's environment. It can also involve real dialogue into HOW they accomplish goals. For example, which treatment alternative is most appropriate for the town's financial and technical capacity? Could they structure the financing in such a way as to minimize the financial impact on LMI families through the "targeting" of CDBG financial assistance?


To minimize duplication, local governments may use advertised public hearings related to their planning program or other funding applications to meet the CDBG requirement for a public hearing prior to preparation of their CDBG application, as long as overall community needs and possible solutions are considered. **An increasing number of Montana counties and cities are cooperating to publicize and hold joint, annual hearings to consider overall community development and housing needs for both the city and county.** By this means, a single public hearing can meet the requirements of several state or federal programs, such as the MDOC CDBG, HOME, or Treasure State Endowment Programs (TSEP). This approach can also make participation more convenient for the public or interested organizations or groups.

The Second Public Hearing

The purpose of the second public hearing is to give citizens and potential beneficiaries of the proposed CDBG project (especially low and moderate income persons), or residents of the project area, adequate opportunity to consider the potential impacts and benefits of the community's proposed project and to comment on it, before the community submits the application. **The hearing should be held not more than three months prior to the date of application.**

At the second public hearing, specific CDBG program requirements and related project issues should be reviewed. For example, if taxes or user charges will need to be increased as part of the cost of financing a CDBG project, it is especially important that residents be informed and understand the necessity of raising user costs. This is the key hearing at which the public should have the full opportunity to review and comment on the details of the scope and design of the proposed project, as well as all projected financial responsibilities falling on project beneficiaries.

To facilitate the participation of citizens who may be most affected by a proposed project, local officials may wish to hold the second public hearing in a location near the proposed project site, such as in an unincorporated community or a neighborhood in a larger city. For the second public hearing it would be appropriate, for example, to hold the hearing at a senior center proposed to be assisted. Local governments may conduct a single, consolidated public hearing to address the public hearing requirement for other funding programs while meeting the CDBG second public hearing requirement.

 The date of the second public hearing on the proposed CDBG project should be held far enough in advance of the application deadline so that local officials would have a reasonable amount of time to deal with any suggestions or concerns stated by citizens at the hearing. Appendix H also includes a sample model notice for the second CDBG public hearing.

COMMENT: The CDBG Program is more concerned about substance, than form. It's not the number of hearings or meetings that have been held -- it's the quality of the dialogue that is taking place among and between citizens and the local officials. Does the needs assessment and citizen participation process reflect one-way communication of a project that is a "done deal" where the basic concept or design has been decided in advance by a consultant or are local officials really soliciting public suggestions and listening to what is being said? Are they willing to modify the proposed project in response to public suggestions or concerns? Is the process "bottom-up" or "top-down?"

The federal Housing and Community Development Act requires MDOC to adopt "a detailed Citizen Participation Plan." To receive CDBG funds, both MDOC and applicants for grants must certify that they are carrying out citizen participation in a manner that complies with this plan. Montana's CDBG Citizen Participation Plan and the required Certifications for Application are found in Appendix Q. The requirements described above are the key elements of Montana's "Citizen Participation Plan."

DIRECTIONS FOR APPLICANTS:

- The MDOC CDBG staff will consider the following ranking issues in scoring applications for this criterion. Applicants should make sure that their narrative response to the ranking criterion thoroughly addresses the questions that are applicable to their proposed CDBG project.
- The applicant should respond "point by point" to the following issues, but to reduce duplication, the applicant may reference other sections of the application where the issue has already been addressed.
- In addition to providing a reference, you should include a statement that describes the relationship of what is being referenced to the ranking issue or special requirement. For example, state "See page 20, paragraph a. of the Uniform Application which provides a detailed description of alternatives considered" as a response to a ranking criterion or special requirement.

In addition, for ease of reference, applicants should provide any appropriate documentation or pertinent exhibits immediately following their responses to the APPLICATION RANKING ISSUES, rather than appending them to the end of the overall application. Appropriate exhibits for this ranking criterion would include minutes of hearings, attendance sign-up sheets, newspaper clippings, newsletters, special bulletins, flyers etc. regarding the needs assessment process, public hearings and any other related public meetings.

APPLICATION RANKING ISSUES

A. Community Planning

1. Did the applicant describe its community development needs, including the needs of low and moderate income persons, in the areas of economic development, housing, neighborhood renewal, and public facilities, and the processes used to determine them?

2. Did the applicant describe its relative priorities for responding to the overall identified community development needs? (*Priorities may be listed in an adopted Growth Policy or established during Needs Assessment hearings and surveys, or detailed in a capital improvements plan [CIP].*)
3. Did the applicant describe the actions or activities it plans to meet the identified needs? (*Recommendations included in an adopted Growth Policy or prioritized activities listed in a CIP may document planned actions or activities.*)
4. Did the applicant describe its rationale for selecting the proposed CDBG project over other potential community projects that were considered? *If a county application, did the county describe its rationale for why the proposed CDBG project should be the highest priority over other potential county needs that were considered?*
5. Has the applicant established priorities for dealing with its public facilities deficiencies through an officially adopted CIP or a public infrastructure strategy included in an adopted growth policy (comprehensive plan)?
6. If the applicant has an officially adopted CIP, does it contain all the basic information listed in the box on page 19?
7. Did the applicant identify any significant patterns or concentrations of lower income households or groups of particularly disadvantaged persons (such as single parent heads of households or seniors) in the community or county, or consider public facility or other community problems that especially affect the welfare of low and moderate income residents? How would the proposed project benefit or impact these persons?
8. Does the project appear reasonable and appropriate, given long term demographic trends as reflected by Census 2000 (population increases or decreases, growth in unincorporated areas, increases in elderly population, etc.)? ***Please refer to Appendix T which includes 1970, 1980, 1990, and 2000 Census information for all Montana counties and incorporated cities and towns.***

Your application will likely rank higher if you can document that:

- *your community or county (if a county application) has assessed its overall public facilities needs, has identified and documented deficiencies, and has established priorities for dealing with them. This could include preparation of an officially adopted CIP or infrastructure strategy in an adopted growth policy.*
- *the proposed CDBG project is an integral part of or consistent with that CIP or strategy.*
- *your community or county (if a county application) updates the established priorities, and community planning documents on a regular schedule.*
- *your community's selected project is consistent with long-term demographic trends as identified through the Census 2000. (See Appendix T).*

B. Citizen Participation

1. Did the applicant describe the process it used to encourage citizen participation in the identification of overall community development needs and priorities, and the actions or activities it plans to meet the identified needs?
2. Did the applicant describe the dates, times, and locations of the two required public hearings and provide copies of attendance lists, meeting summaries or minutes sufficient to reflect comments made by local officials and the citizens attending. For example, do the minutes reflect the fact that at the first public hearing citizens were given the opportunity to discuss community needs in general (not just those related to the contemplated CDBG application) and that specific project details were thoroughly covered at the second public hearing?

Your application will likely rank higher if:

- *the date of the first public hearing was well in advance of the deadline for application;*
- *the date of the second public hearing was far enough in advance of the deadline for application that any public concerns could have legitimately been addressed by local officials, rather than at the last minute prior to the application deadline.*
- *the times and locations of the public hearings would have been conducive to encouraging public involvement of working people, rather than scheduled during day time, working hours.*
- *the location of at least the initial needs identification hearing would be considered neutral and not designed to skew the selection of the project for the CDBG application toward any particular project.*
- *a reasonable cross section of local residents attended the hearing, in addition to local officials, consultants, etc.*
- *you provide complete attendance lists, and adequate meeting summaries or minutes sufficient to reflect comments made by local officials and the citizens attending the public hearings or other meetings held.*

3. Is the proposed project consistent with expressed public opinion and does it have strong public support?
 - a. Was the public informed of the estimated cost per household that will result from the proposed project, such as anticipated increases in property tax assessments, user charges, or fees?
 - b. What were the public comments regarding the costs that local citizens will have to pay?
 - c. Has the public had reasonable opportunity to make comments on the proposed project and have any concerns been addressed by local officials?

You will want to demonstrate that your community or county undertook efforts to encourage citizen participation, including efforts to involve low and moderate income residents, in the process of identifying overall community needs, possible activities or actions to address them, and the selection of the CDBG project and project area. In addition to documentation of public hearings, you'll want to include documentation of newspaper articles, copies of special mailings, public opinion surveys, letters of support, etc. If your community has conducted a public opinion survey, the applicant should provide an analysis and interpretation of the responses and the implications for possible activities or actions to address identified needs or concerns.

C. National and State CDBG Objectives

1. Is the applicant's proposed project consistent with the primary objective of the CDBG Program: "The development of viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income?"
2. Has the applicant described the national objective for the CDBG Program that is most appropriate and pertinent to the proposed project? (See Appendix B.)
3. Has the applicant described the state objective for the CDBG Program that is most appropriate and pertinent to the proposed project? (See Appendix C.)

(Applicants should **not** provide an extensive response referencing multiple national and state CDBG objectives.)

D. Other Information

Did the applicant provide any other pertinent information that could improve the application's score for this ranking criterion?

SCORING

Each application will receive points depending upon its overall response to the "Community Planning and Citizen Participation" criterion, in comparison with the other applications submitted:

BEST	5 --	125 points
	4 --	100 points
	3 --	75 points
	2 --	50 points
	1 --	25 points
	0 --	0 points

2. NEED FOR PROJECT -- 125 points

RANKING CRITERION

The “Need for Project” ranking criterion considers the overall need for the activities to be addressed with CDBG funds in comparison with the other public facilities projects submitted for funding. Applicants proposing CDBG-funded activities that, overall, are considered to be addressing the most severe and immediate needs will receive the highest score.

In documenting the need for the proposed CDBG project activities, applicants should address the following as appropriate:

- The degree to which the public facilities problem to be addressed with CDBG funds affects the public's health or safety; the proportion of the total community affected; and
- The immediacy of the public facility problem to be addressed with CDBG funds, including the cause of the problem, how long the problem has existed, and/or how often it has recurred.

Highest priority will be given to projects that are designed to eliminate serious and immediate threats to the public's health or safety. Combining high priority activities with activities considered lower priority may result in the assignment of a lower overall rank.

The need for the proposed project activities will be assessed by using existing criteria or recommendations of other appropriate public or private agencies, whenever possible. When necessary, MDOC will seek technical review by appropriate public or private agencies or qualified professionals to evaluate proposals.



Applicants Applying to CDBG for TSEP Projects Submitted in May, 2004. (for the Same Public Facilities Project)

Some local governments will be applying to CDBG for TSEP projects submitted in May, 2004 (for the same project). In these cases, applicants can submit the same narrative responses for this CDBG ranking criterion that they submitted to TSEP for Statutory Priority #1 (Urgent and Serious Health or Safety Problems, or Compliance with State or Federal Standards) and the information included in the Uniform Application for Montana Public Facility Projects, Fourth Edition, September, 2003 (including the Preliminary Engineering Report). **The ranking issue questions are the same for both CDBG and TSEP.**

REQUIREMENTS:

1. Preliminary Engineering Report

- a. Applicants requesting assistance for water, wastewater, storm sewer, or solid waste facilities projects must submit a Preliminary Engineering Report (PER) prepared by a licensed, professional engineer that meets the minimum requirements described in the Uniform Application for Montana Public Facility Projects, Fourth Edition

(September, 2003) available from MDOC, or downloaded from the W2ASACT website:

<http://www.dnrc.state.mt.us/cardd/wasact.html>

- b. Applicants may reference the PER in responding to the "Need for Project" ranking criterion. Applicants should review the "DIRECTIONS FOR APPLICANTS" below.
- c. For CDBG public facility applications proposing drinking water, wastewater, storm sewer, or solid waste projects, the "Need for Project" and "Project Concept and Technical Design" ranking criteria scores will be based on the information provided in the applicant's Preliminary Engineering Report (PER). MDOC will contract with private engineering firms to assist in the scoring of drinking water, wastewater, and solid waste projects for these ranking criteria.

Applicants for these types of projects will be asked to review and comment on the first draft of the engineering review report related to the "Need for Project" and "Project Concept and Technical Design" ranking criteria. While applicants will not be allowed to introduce any new information that was not included in the original application or PER, they can point out or clarify information that may have been overlooked or which may have been misinterpreted in the initial review of the application or PER.

2. Preliminary Architectural Report

- a. Applicants requesting assistance for the construction of a new building or rehabilitation of an existing building must submit a Preliminary Architectural Report (PAR) prepared by a licensed, professional architect that meets the minimum requirements described in the *Preliminary Architectural Report for New Construction or Rehabilitation of Existing Buildings (Excluding Single Family Residences) (Appendix S)*.
- b. Applicants may reference the PAR in responding to the "Need for Project" ranking criterion. Applicants should review the "DIRECTIONS FOR APPLICANTS", below.



DIRECTIONS FOR APPLICANTS:

- The MDOC CDBG staff will consider the following ranking issues in scoring applications for this criterion. Applicants should make sure that their narrative response to the ranking criterion thoroughly addresses the questions that are applicable to their proposed CDBG project.
- The applicant should respond "point by point" to the following issues, but to reduce duplication, the applicant may reference other sections of the application where the issue has already been addressed.
- In addition to providing a reference, you should include a statement that summarizes the relationship of what is being referenced to the particular ranking issue or special requirement. For example, state "See page 20, paragraph a. of the Uniform Application which provides a detailed description of alternatives considered" as a response to a ranking criterion or special requirement.

- This ranking criterion will also be scored based upon the information contained in the applicant's **Uniform Application for Montana Public Facility Projects, Fourth Edition (September, 2003)** including the **Preliminary Engineering Report (PER)** for drinking water, wastewater, storm sewer, or solid waste projects, or from the **Preliminary Architectural Report (PAR)** for other public facilities projects involving new construction or rehabilitation of existing buildings. Applicants should reference pertinent sections of the Uniform Application and the PER/PAR in their narrative responses.

In addition, for ease of reference, applicants should provide any appropriate documentation or pertinent exhibits immediately following their responses to the **APPLICATION RANKING ISSUES**, rather than appending them to the end of the overall application.

Note: CDBG Ranking issues 1. – 8. are the same as the questions asked under Statutory Priority #1 for the Treasure State Endowment Program: “Projects that solve urgent and serious public health or safety problems, or that enable local governments to meet state or federal health or safety standards.”

APPLICATION RANKING ISSUES

1. Does a serious deficiency exist in a basic or necessary community public facility or service, such as the provision of a safe domestic water supply or does the community lack the facility or service entirely, and will the deficiencies be corrected by the proposed project? *(Describe all deficiencies.)*
2. Have serious public health or safety problems that are clearly attributable to a deficiency occurred, or are they likely to occur, such as illness, disease outbreak, substantial property loss, environmental pollution, or safety problems or hazards? *(Describe each public health or safety problem and indicate whether the problem has occurred or the degree to which it is likely to occur in the near-term, long-term, or may potentially occur at some point in the future. It is important to provide supporting documentation showing the public health or safety problems.)*
3. Is the problem existing, continual, and long-term, as opposed to occasional, sporadic, probable or potential? *(Describe the nature and frequency of occurrence. Provide supporting documentation to substantiate.)*
4. Is the entire community, or a substantial percentage of the residents of the community, seriously affected by the deficiency, as opposed to a small percentage of the residents? *(Describe the number of residents affected by the problem.)*
5. Is there clear documentation that the current condition of the public facility (or lack of a facility) violates a state or federal health or safety standard? *(If yes, describe the standard being violated.)*

6. Does the standard that is being violated represent a significant threat to public health or safety? *(For each standard being violated as listed in 5., identify which of the public health or safety problems as listed in 2. are associated with it.)*
7. Is the proposed CDBG project necessary to comply with a court order or a state or federal agency directive? *(If yes, describe the directive and attach a copy of it.)*
8. Are there any reliable and long-term management practices that would reduce the public health or safety problems?
9. Did the applicant provide any other pertinent information that could improve the application's score for this ranking criterion?

USE OF PARALLEL TSEP SCORING LEVELS

The text of the corresponding, parallel TSEP criterion general scoring definitions follows. The TSEP program also utilizes more detailed scoring level definitions for each type of project (water, wastewater, storm sewer, solid waste, or bridges), which is available upon request from either the CDBG or TSEP program.

Important note for projects with multiple phases that will pursue additional CDBG or TSEP funds for later phases: The score level assigned will be based on the phase of the proposed project for which CDBG or TSEP funds are being requested and the specific deficiencies that would be resolved. If the applicant has not clearly defined what will be accomplished in the proposed project, for which CDBG or TSEP funds are being requested, and which deficiencies would be resolved, the score level may be reduced.

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| Level 5 | The Applicant sufficiently demonstrated that the public health and safety problems associated with the deficiencies in the <i>(type)</i> system (facility) <u>have occurred or are imminent</u> . These serious problems are the result of incidental, short-term or casual contact or as a result of past cumulative long-term exposure. |
| Level 4 | The Applicant sufficiently demonstrated that the public health and safety problems associated with the deficiencies in the <i>(type)</i> system (facility) are <u>likely to occur in the near-term</u> if the deficiencies are not corrected, even though they have not been documented to have occurred yet. These serious problems however have a <u>high probability of occurrence as a result of incidental, casual or unpredictable circumstances</u> . |
| Level 3 | The Applicant sufficiently demonstrated that the public health and safety problems associated with the deficiencies in the <i>(type)</i> system (facility) are <u>likely to occur in the long-term</u> if the deficiencies are not corrected, even though they have not been documented to have occurred yet. These serious problems however have a <u>high probability of occurrence after chronic exposure and a moderate level of probability of occurrence in the near-term as a result of incidental, short-term or casual contact</u> . |
| Level 2 | The applicant sufficiently demonstrated that the public health and safety problems associated with the deficiencies in the <i>(type)</i> system (facility) <u>may</u> |

potentially occur at some point in the future if the deficiencies are not corrected. However, the problems have not been documented to have occurred yet and the deficiencies are not considered to be a serious threat to public health or safety.

- ❑ This level may also be assigned if the applicant has not adequately shown that the deficiencies, which would otherwise be scored at a higher level, would be resolved.

Level 1 The Applicant did not demonstrate that it has a deficiency in its (*type*) system (facility) that could seriously affect the public's health and safety.

- ❑ Typically, this level is assigned when the applicant does not submit the required preliminary engineering information that would allow the TSEP staff to adequately evaluate the needs of the system.
- ❑ This level may also be assigned when the applicant was unable to document a serious or credible threat to public health and safety or the environment. The claimed deficiency may be related to routine operations and maintenance issues.

SCORING LEVELS FOR NON-WATER AND SEWER PROJECTS

The text of the CDBG scoring levels that will be used for CDBG proposals other than water, wastewater, storm sewer, solid waste, and bridges follows.

LEVEL 5:

Definition –

- ❑ **Serious consequences** (i.e. illness, disease, loss of life, substantial property loss, or environmental pollution) clearly attributable to the deficiency in the facility described in the application **have occurred or are imminent**.
- ❑ The applicant has adequately **documented the deficiency** and the impact on the public's health, safety and welfare or the environment with: correspondence or other information from public (Federal, State or local) agencies or officials; certified data; or information from other agencies or individuals who are qualified to give a professional opinion on the deficiency or seriousness of the problem.
- ❑ The facility may be under a **court or agency order directive** to make the improvements described in the application.
- ❑ The deficiency is **existing, long-term, continual and affects the entire or a substantial portion of the community, or has the potential to affect the entire or a substantial portion of the community**. The serious problems are the result of incidental, short-term or casual contact or as a result of past cumulative long-term exposure. (The situation is of an immediate nature).
- ❑ There are no reasonable, reliable and long-term management practices that would reduce the risk of illness, disease, loss of life, substantial property loss, or environmental pollution.

LEVEL 4:**Definition –**

- ❑ **Serious consequences** (i.e. illness, disease, loss of life, substantial property loss, or environmental pollution) clearly attributable to the deficiency in the facility described in the application **are likely to occur in the near term** as a result of incidental, casual or unpredictable circumstances.
- ❑ The applicant has adequately **documented the deficiency** and the impact on the public's health, safety and welfare or the environment with: correspondence or other information from public (Federal, State or local) agencies or officials; certified data; or information from other agencies or individuals who are qualified to give a professional opinion on the deficiency or seriousness of the problem.
- ❑ The facility may be under a **court or agency order directive** to make the improvements described in the application.
- ❑ The deficiency is **existing, long-term, continual and affects the entire or a substantial portion of the community, or has the potential to affect the entire or a substantial portion of the community**. The serious problems are the result of incidental, short-term or casual contact or as a result of past cumulative long-term exposure. (The situation **has a high probability of occurrence** in the near term, but has not been documented to have occurred yet).
- ❑ There are no reasonable, reliable and long-term management practices that would reduce the risk of illness, disease, loss of life, substantial property loss, or environmental pollution.

LEVEL 3:**Definition –**

- ❑ **Serious consequences** (i.e. illness, disease, loss of life, substantial property loss, or environmental pollution) clearly attributable to the deficiency in the facility described in the application **are likely to occur in the long-term if the deficiency is not corrected**.
- ❑ The applicant has adequately **documented the deficiency** and the impact on the public's health, safety and welfare or the environment with: correspondence or other information from public (Federal, State or local) agencies or officials; certified data; or information from other agencies or individuals who are qualified to give a professional opinion on the deficiency or seriousness of the problem.
- ❑ The facility may be under a **court or agency order directive** to make the improvements described in the application.
- ❑ The deficiency is **existing, long-term, continual and affects the entire or a substantial portion of the community, or has the potential to affect the entire or a substantial portion of the community**. (The situation **has some reasonable probability of occurrence** in the near term, but has not been documented to have occurred yet and the consequences are not as serious as those associated with a level 4).
- ❑ There are no reasonable, reliable and long-term management practices that would reduce the risk of illness, disease, loss of life, substantial property loss, or environmental pollution.

LEVEL 2:**Definition –**

- ❑ The deficiency described in the application **could potentially** affect the public's health, safety and welfare or the environment and circumstances clearly attributable to the deficiency **may occur at some point in the future,**
- ❑ **but have not been documented to have occurred yet.**

- ❑ The deficiency is **existing, long-term, continual and the problem potential affect all or a portion of the community.** (The community may have a deficiency, perhaps in meeting current design standards, but the application is unable to show a serious threat to public health and safety or the environment is likely to occur.)

LEVEL 1:

Definition – A deficiency in a basic facility or community that could affect the public’s health, safety and welfare or the environment was not demonstrated or was inadequately documented.

SCORING

Each application will receive points depending upon its overall response to the “Need for Project” criterion, in comparison to the other applications submitted:

HIGHEST NEED	5 --	125 points
	4 --	100 points
	3 --	75 points
	2 --	50 points
	1 --	25 points
	0 --	0 points

3. PROJECT CONCEPT AND TECHNICAL DESIGN -- 100 points

RANKING CRITERION

The “Project Concept and Technical Design” criterion considers:

- the degree to which the applicant has developed a reasonable, complete, and appropriate proposal for dealing with its public facility need, and
- whether the proposed project thoroughly addresses the problem and provides a reasonably complete, cost-effective, and long-term solution in relation to the applicant’s financial and management capacity and available funding sources.



Applicants Applying to CDBG for TSEP Projects Submitted in May, 2004 (for the Same Public Facilities Project)

Some local governments will be applying to CDBG for TSEP projects submitted in May, 2004 (for the same project). In these cases, applicants can submit the narrative responses for this CDBG ranking criterion that they submitted to TSEP for Statutory Priority #3 (Appropriate Design and Long-Term Solution) and the information included in the Uniform Application for Montana Public Facility Projects, Fourth Edition, September, 2003 (including the Preliminary Engineering Report). **The ranking issue questions are the same for both CDBG and TSEP.**

REQUIREMENTS

A. Water, Wastewater, Storm Sewer, and Solid Waste Projects

1. Preliminary Engineering Report (PER) and Environmental Checklist

Applicants requesting assistance for water, wastewater, storm sewer, or solid waste facilities must submit a Preliminary Engineering Report (PER) prepared by a licensed, professional engineer that meets the minimum requirements described in the *Uniform Application for Montana Public Facility Projects, Fourth Edition (September, 2003)* available from MDOC. The Uniform Environmental Checklist also included in the *Uniform Application* must be completed as well.

The uniform application may also be downloaded from the Water, Wastewater and Solid Waste Action Coordinating Team (W2ASACT) website at the following address:

<http://www.dnrc.state.mt.us/cardd/wasact.html>

2. Water Meters

The CDBG program encourages the use of water meters, whenever appropriate. In many cases, over the long-term, installing water meters and instituting a fair billing system based on the use of meters, is one of the most prudent and cost effective management and conservation steps local governments can take. Generally, the installation of meters also reduces long-term operational costs for a water system.

A PER prepared for water system improvements must include an analysis of the feasibility of installing water meters and converting to a billing system based upon meters in cases where meters are not currently utilized and meters are not proposed as part of the project. **No analysis of feasibility is required where meters are proposed to be installed.**

The analysis should include projections of the potential water conservation savings due to meter conversion and estimated installation and long-term maintenance and operations costs. Though local governments are not required to convert to a metering system as a precondition of receiving CDBG funds, local governments choosing not to convert to meters are expected to present a sound rationale why conversion would not be appropriate or cost-effective over the long-term.

B. Other Public Facility Projects

1. Preliminary Engineering Report (PER) or Preliminary Architectural Report (PAR)

The applicant must provide, as appropriate, a PER or PAR.

Preliminary Architectural Report (PAR)

Applicants requesting assistance for construction of new buildings or rehabilitation of existing buildings must submit a Preliminary Architectural Report (PAR) prepared by a licensed, professional architect that meets the minimum requirements described in the *Preliminary Architectural Report for New Construction or Rehabilitation of Existing Buildings (Excluding Single Family Residences)*, Appendix S, which can also be downloaded from the CDBG website at the following address:

http://commerce.state.mt.us/CDD_CDBG_PF.asp

2. Special Design Considerations

Any special features in the project area or special regulatory standards that will result in an unusual facility design or a more costly design (e.g., lack of right-of-way, topography, handicapped accessibility, asbestos, lead-based paint, lead water service lines, historic preservation architectural standards) should be described. Applicants should also indicate the sources of cost estimates for each activity.

Applicants need to pay particular attention to HUD lead-based paint requirements when considering rehabilitation of public facilities such as hospitals, Head Start buildings, nursing homes, etc. New regulations define work practices that must be followed when dealing with lead-based paint in older structures. The regulations also expand requirements to protect occupants and workers from lead-based paint hazards until lead hazard reduction work is completed. See Appendix I in the CDBG Application Guidelines for Housing Projects for the November, 2004 Grant Competition for further information (available on the CDBG website).

3. **New Construction of Buildings**

If proposing new construction of a building, the applicant must thoroughly document that no buildings exist within the community which are suitable for purchase and cost-effective modification. This documentation should include an analysis of both the physical and financial feasibility of modifying existing buildings and an analysis showing that the most appropriate and cost-effective alternative is new construction. **Applicants proposing new construction must provide a Preliminary Architectural Report (PAR).**

4. **Summary**

For other types of public facility projects (non-water and sewer), exhibits would include a copy of the Preliminary Architectural Report (where new construction or rehabilitation of an existing building is proposed), Preliminary Engineering Report, if applicable, and the Uniform Environmental Checklist and financial information (sections A., B, and C (pages 37 to 42), and the Balance Sheet and Income and Expense Statement, or its equivalent (page 49) from the Uniform Application for Montana Public Facility Projects, Fourth Edition (September, 2003) as an attachment.



DIRECTIONS FOR APPLICANTS:

- The MDOC CDBG staff will consider the following ranking issues in scoring applications for this criterion. Applicants should make sure that their narrative response to the ranking criterion thoroughly addresses the questions that are applicable to their proposed CDBG project.
- The applicant should respond “point by point” to the following issues, but to reduce duplication, the applicant may reference other sections of the application where the issue has already been addressed.
- In addition to providing a reference, you should include a statement that summarizes the relationship of what is being referenced to the particular ranking issue or special requirement. For example, state "See page 20, paragraph a. of the Uniform Application which provides a detailed description of alternatives considered" as a response to a ranking criterion or special requirement.
- This ranking criterion will also be scored based upon the information contained in the applicant's **Uniform Application for Montana Public Facility Projects, Fourth Edition (September, 2003)** including the **Preliminary Engineering Report (PER)** for drinking water, wastewater, storm sewer, or solid waste projects, or from the **Preliminary Architectural Report (PAR)** for other public facilities projects involving new construction or rehabilitation of existing buildings. Applicants should reference pertinent sections of the Uniform Application and the PER/PAR in their narrative responses.

In addition, for ease of reference, applicants should provide any appropriate documentation or pertinent exhibits immediately following their responses to the APPLICATION RANKING ISSUES, rather than appending them to the end of the overall application.

For CDBG public facility applications proposing drinking water, wastewater, storm sewer, or solid waste projects, the "Need for Project" and "Project Concept and Technical Design" ranking criteria scores will be based on the information provided in the applicant's Preliminary Engineering Report (PER). MDOC will contract with private engineering firms to assist in the scoring of drinking water, wastewater, and solid waste projects for these ranking criteria.

Applicants for these types of projects will be asked to review and comment on the first draft of the engineering review report prepared by MDOC's engineering consultants for the "Need for Project" and "Project Concept and Technical Design" ranking criteria. While applicants will not be allowed to introduce any new information that was not included in the original application or PER, they can point out or clarify information that may have been overlooked or which may have been misinterpreted in the initial review of the application or PER.

Note: Ranking issues 1. – 9. are the same as the questions asked under Statutory Priority #3 for the Treasure State Endowment Program: "Projects that incorporate appropriate, cost-effective technical design and that provide thorough, long-term solutions to community public facility needs."

FOR DRINKING WATER, WASTEWATER, STORM SEWER, OR SOLID WASTE PROJECTS

Applicants must provide narrative responses to questions "A. 1." through "A. 9." under FOR DRINKING WATER, WASTEWATER, STORM SEWER, OR SOLID WASTE PROJECTS, as applicable. This priority will be scored based upon the information contained in the applicant's Preliminary Engineering Report (PER) and environmental checklist. Applicants should reference pertinent sections of the PER in their narrative responses.

FOR ALL OTHER TYPES OF PUBLIC FACILITY PROJECTS

Applicants must provide narrative responses to questions "B. 1." through "B. 10." under FOR ALL OTHER TYPES OF PUBLIC FACILITY PROJECTS, as applicable. This priority will be scored based upon the technical information contained in the applicant's Preliminary Engineering Report (PER) or Preliminary Architectural Report (PAR) and Environmental Checklist. Applicants should reference pertinent sections of the plan or study in their narrative responses to the application ranking issues.

APPLICATION RANKING ISSUES

A. FOR DRINKING WATER, WASTEWATER, STORM WATER, OR SOLID WASTE PROJECTS

1. Does the PER provide all of the information as required by the Uniform PER outline, and did the analysis address the entire system in order to identify all potential deficiencies? *(The PER should contain all of the information as specified in the Uniform PER outline, and should comprehensively examine the entire system in order to identify all potential deficiencies.)*

2. Does the proposed project completely resolve all of the deficiencies identified in the PER? If not, does the proposed project represent a complete component of a long-term master plan for the facility or system, and what deficiencies will remain upon completion of the proposed project? *(If any deficiencies will remain upon completion of the proposed project, provide a plan for when those deficiencies will be resolved.)*
3. Are the deficiencies to be addressed through the proposed project the deficiencies identified with the most serious public health or safety problems? If not, explain why the deficiencies to be addressed through the proposed project were selected over those identified with greater public health or safety problems. *(If the applicant has not chosen to resolve the most serious public health or safety problems, it should provide a reasonable justification for the proposed project.)*
4. Were all reasonable alternatives thoroughly considered, and does the technical design proposed for the alternative chosen represent an efficient, appropriate, and cost-effective option for resolving the local public facility need, considering the size and resources of the community, the complexity of the problems addressed, and the cost of the project? *(The PER must provide an analysis of all reasonable alternatives in sufficient detail to justify the alternative chosen.)*
5. Does the technical design proposed thoroughly address the deficiencies selected to be resolved and provide a reasonably complete, cost-effective and long-term solution?
6. Are all projected costs and the proposed implementation schedule reasonable and well supported? Are there any apparent technical problems that were not adequately addressed that could delay or prevent the proposed project from being carried out or which could add significantly to project costs?
7. Have the potential environmental problems been adequately assessed? Are there any apparent environmental problems that were not adequately addressed that could delay or prevent the proposed project from being carried out or which could add significantly to project costs? *(The Uniform Environmental Checklist must be properly completed so that all potential environmental problems have been adequately assessed. All environmental concerns, noted in the Uniform Environmental Checklist, must be addressed in the PER when examining each of the alternative solutions.)*
8. For projects involving community drinking water system improvements, does the applicant have a water metering system for individual services or has the applicant decided to install meters? In those cases where individual service connection meters are not proposed, has the applicant's PER thoroughly analyzed the conversion to a water metering system and persuasively demonstrated that the use of meters is not feasible, appropriate, or cost effective?
9. Did the applicant provide any other pertinent information that could improve the application's score for this ranking criterion?

USE OF PARALLEL TSEP SCORING LEVELS

The text of the corresponding, parallel TSEP criterion general scoring definitions follows. The TSEP program also utilizes more detailed scoring level definitions for each type of project (water, wastewater, storm sewer, solid waste, or bridges), which is available upon request from either the CDBG or TSEP program.

Important note for projects with multiple phases that will pursue additional CDBG or TSEP funds for later phases: If the applicant has not clearly defined what will be accomplished in the proposed project, for which CDBG or TSEP funds are being requested, and which deficiencies would be resolved, the score level may be reduced.

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| Level 5 | The Applicant clearly demonstrated that it has proposed an appropriate, cost-effective technical design that will provide a thorough, long-term solution to its public facility needs. The problems were well defined, the various alternatives were thoroughly discussed, and construction costs were well documented and justified. There were no issues of any significance that were not adequately addressed. |
| Level 4 | The Applicant strongly demonstrated that it has proposed an appropriate, cost-effective technical design that will provide a thorough, long-term solution to its public facility needs. The preliminary engineering report is generally complete and there were only <u>minor issues</u> that were not adequately addressed. It does not appear that the issues would raise serious questions regarding the appropriateness of the solution selected by the Applicant. |
| Level 3 | The Applicant sufficiently demonstrated that it has proposed an appropriate, cost-effective technical design that will provide a thorough, long-term solution to its public facility needs. While the preliminary engineering report is generally complete, there were some <u>potentially important issues</u> that were not adequately addressed. However, it does not appear that the issues would raise serious questions regarding the appropriateness of the solution selected by the Applicant. |
| Level 2 | The Applicant weakly demonstrated that it has proposed an appropriate, cost-effective technical design that will provide a thorough, long-term solution to its public facility needs. The preliminary engineering report was incomplete and there were some <u>significantly important issues</u> that were not adequately addressed, <u>which raised serious questions regarding the appropriateness of the solution selected by the Applicant.</u> |
| Level 1 | The Applicant did not demonstrate that it has proposed an appropriate, cost-effective technical design that will provide a thorough, long-term solution to its public facility needs. The application did not provide sufficient information to properly review the proposed project. Either the preliminary engineering report was not submitted with the application, or if it was submitted, did not address numerous critical issues needed to evaluate the project proposed by the Applicant. |

B. FOR ALL OTHER TYPES OF PUBLIC FACILITY PROJECTS

1. Does the technical analysis (PER or PAR) provide all necessary information to adequately evaluate the proposal and did the analysis evaluate the entire system, facility, or structure (as applicable for the type of project) in order to identify all potential deficiencies?

(The technical information (PER or PAR) should provide all necessary information to adequately evaluate the proposal and thoroughly evaluate the entire system, facility, or structure (as applicable for the type of project) in order to identify all potential deficiencies.)

2. Does the proposed project completely resolve all of the identified deficiencies? If not, does the proposed project represent a complete and reasonable component of an overall long-term program or master plan for scheduled improvements for the facility or system? What deficiencies will remain upon completion of the proposed project and how and when will they be addressed?

(In cases where the proposed project will not completely resolve the public facility need or deficiencies, the applicant must provide a plan for when and how those deficiencies will be resolved.)

3. Are the deficiencies to be addressed through the proposed project the deficiencies identified with the most serious public health or safety problems? If not, explain why the deficiencies to be addressed through the proposed project were selected over those identified with greater public health or safety problems.

(If the applicant has not chosen to resolve the most serious public health or safety problems, it should provide justification for the proposed project activities.)

4. Were all reasonable alternatives thoroughly considered, and does the project concept and technical design proposed for the alternative chosen represent an efficient, appropriate, and cost-effective option for resolving the local public facility need, considering the size and resources of the community, the complexity of the problems addressed, and the cost of the project?

(The PER or PAR must provide an analysis of all reasonable alternatives in sufficient detail to adequately justify the alternative chosen.)

5. Does the technical design proposed thoroughly address the deficiencies selected to be resolved and provide a reasonably complete, cost-effective and long-term solution?
6. Are all projected costs reasonable and well supported?
7. Have all potential technical, environmental, regulatory or other problems been adequately assessed? Are there any apparent technical, environmental, regulatory or other problems that could delay or prevent the proposed project from being carried out or which could add significantly to project costs?

(The Uniform Environmental Checklist must be properly completed so that all potential environmental problems have been adequately assessed. All environmental concerns, noted in the Uniform Environmental Checklist, must be addressed in the technical report when examining each of the alternative solutions.)

8. Did the applicant solicit and receive review comments from appropriate public and qualified private agencies concerning the proposed project's concept and design as well as long term operating plans for the project?
9. If a proposed public facility project will be owned and/or managed long-term by a sub-recipient local entity, such as a non-profit organization:
 - a. Has the applicant described the alternatives considered before selecting the proposed option and has developed a well-reasoned and achievable proposal? If applicable, have alternative sites been considered for purchase and thoroughly discussed in the PER or PAR?
 - b. Does the project concept and proposed technical design represent the most efficient, appropriate, and cost-effective option for resolving the identified public facility need, considering the size and resources of the community, the complexity of the problems addressed, the cost of the project, and the proposed implementation schedule?
10. Did the applicant provide any other pertinent information that could improve the application's score for this ranking criterion?

SCORING LEVELS FOR NON-WATER AND SEWER PROJECTS

The text of the CDBG scoring levels that will be used for CDBG proposals other than water, wastewater, storm sewer, solid waste, and bridges follows. The text of the scoring level definitions focuses on the Preliminary Architectural Report (PAR) since this is the key document to be reviewed for applications for assistance to senior citizen centers, Head Start facilities, fire halls, nursing homes, rural hospitals, etc.

Level 5 - To be scored a level "5" the PAR must provide an ample amount of information to adequately address each of the PAR outline categories. The Level 5 PAR is considered an outstanding PAR that clearly analyzed and thoroughly documented that it has proposed an appropriate cost-effective technical design that clearly solves the problem in its entirety and provides a thorough long-term solution to its public facility needs. There are no issues of any significance that have not been adequately addressed. There should be no questions as to:

- ☐ the legitimacy of the problems represented in the PAR, which establishes project need,
- ☐ whether the condition of the existing facility was thoroughly evaluated
- ☐ whether all appropriate alternatives were adequately analyzed,
- ☐ whether the selected alternative is a reasonably appropriate solution, or
- ☐ whether there is sufficient documentation to support the above.

To be scored at a Level "5" the PAR should have:

- ☐ Clearly identified the existing service area and the projected service area for the project period. The service area growth projections were supported by population growth trends and/or economic development trends with supporting documentation. Documentation of population trends included historical population data. Documentation of economic development trends included a discussion of the commercial and industrial growth as well

as documentation of service area zoning and a community economic development plan that supports the growth projections stated in the PAR.

- ❑ Described in reasonable detail existing physical and environmental features of the area that may have an impact on the condition and performance of the existing public facility and any proposed public facilities, and provided the reviewer with a complete understanding of the area. The impact these physical and environmental features may have on the existing and proposed public facilities were part of the discussion.
- ❑ Completely and clearly described and documented the condition and performance of the existing public facilities including:
 - Layout of existing facility (floor plan for exiting structure),
 - History of facility, including when constructed, major improvements,
 - structural deficiencies,
 - regulatory noncompliance, and
 - provided financial status of facility, annual operation and maintenance costs, tabulation of users, revenue received for the last three fiscal years and status of existing debts associated with the facility,
 - provided a full evaluation of the presence of lead-based paint and asbestos when existing facilities are being considered.
- ❑ Completely and clearly described and documented the need for the project and the serious consequences that result from the problem to be solved. In other words, it was clearly demonstrated the documented deficiencies with the existing public facilities would cause serious problems such as:
 - Health and Safety – described concerns, compliance issues, relevant regulations such as Uniform Building Codes, zoning ordinances, asbestos, lead-based paint, and other federal, state, local or tribal requirements.
 - Facility O&M – described O&M concerns with an emphasis on those with the greatest financial and operational impact. Discussed operational, administrative and management capacity.
 - Growth – described the facility capacity necessary to meet projected needs during the planning period. Discussed potential for future expansion, or any consideration given to designing for phased construction. Provided number of current and projected new users to be served by the project.
- ❑ Defined the project goals and objectives, and established and clearly described the design criteria for the project that were utilized in the alternatives analysis.
 - Existing Buildings - listed and discussed all possible alternatives to addressing the deficiencies of the public facility, described existing buildings within the community that could be modified to accommodate the proposed facility, deficiencies with each, code compliance issues, floor space, handicapped accessibility, potential for expansion, as applicable.
 - Building sites – if proposing new construction, described alternative building sites available for new construction, any existing structures on the site, potential for expansion, proximity to other services.
 - Each possible alternative was discussed in sufficient detail to demonstrate its potential, or demonstrated that an alternative was not considered to be a viable

enough solution to be considered further. A sufficiently detailed justification was provided for any alternatives that were screened out prior to the detailed alternatives analysis.

- ❑ Regulatory Compliance and Permits – Described compliance with appropriate regulations such as Uniform Building Codes, zoning issues, asbestos, lead-based paint, permits, handicapped accessibility, and other federal, state, local or tribal requirements.
- ❑ Land acquisition – Identify sites and easements required, if applicable. Described is property is currently owned, to be acquired or leased, current status of land.
- ❑ Environmental Considerations- Thoroughly Completed the Uniform Environmental Checklist, considered and addressed any necessary mitigation for any adverse impact, for project considering the renovation of existing structures, thoroughly discussed mitigation measures to address asbestos and lead-based paint, where identified, in accordance with federal and state requirements. Include any environmental related correspondence. Include any exhibits, maps, or drawings as applicable to describe potential environmental impacts.
- ❑ Identified any Construction Problems – Discuss unique concerns such as geological constraints, limited access, underground storage tanks, high water levels, etc.
- ❑ Basis of selection of the preferred alternative – provided an analysis of why the preferred alternative was selected over the other alternatives,
 - Discussed the site location and characteristics or the current or proposed facility,
 - Provided preliminary architectural plans, including a proposed floor plan, for the proposed facility,
 - Discussed the operational requirements, the expertise required and any unique operational requirements of the facility,
 - Impact on existing facilities,
 - Design – described design issues for this project, such as the location of the facility, cost effectiveness, technical feasibility, local resources, suppliers, etc.
- ❑ Clearly described and documented the basis for the itemized estimates of the project costs based on the anticipated period of construction, includes administrative, development and construction, land and rights, legal, engineering, interest, equipment, contingencies, refinancing and other costs associated with the proposed project.
- ❑ Annual Operating Budget-
 - Projected income realistically based on likely revenues, membership dues, subsidies, etc.
 - O&M cost estimates are substantiated, including salaries, taxes, accounting, auditing fees, legal fees, utilities, insurance, maintenance expense, etc.
 - Capital Improvements – described annual costs of purchasing or replacing equipment necessary to the function of the facility.
 - Debt repayment – described existing and proposed project financing and any effect on facility user fees, including debt coverage requirements.
- ❑ Public Participation – described any public participation, meetings, hearings, comments and input received from the public about the PAR or proposed project.

- ❑ Clearly described the funding strategy in detail and presents a project schedule that is reasonable. The funding strategy considered the funding application cycles and when funding will be available. Significant issues with construction phasing were considered. The implementation schedule took into account the availability of funds and acceptable activities for funds from various agencies.

Why a PAR would be scored at a lower level

The difference between a Level “5” PAR and one scored lower is in the level of detail provided in the analysis and adequacy of the supporting documentation and analysis. It is the importance and significance of the missing information in the opinion of the review team that determines the level that will be assigned. The following are some examples of reasons why a PAR may be scored less than a Level “5”:

- ❑ The planning area service area and/or population projections were not included or were not adequately documented and supported.
- ❑ The evaluation of existing facilities, as the basis for problem/need identification, was lacking documentation and/or support data.
- ❑ The PAR did not clearly define the problem(s) to be resolved.
- ❑ The PAR did not include reference in either the alternative screening section or the alternative analysis section for an alternative or alternatives that would typically be considered appropriate for the type of project considered.
- ❑ The PAR eliminated an alternative in the screening process without sufficient justification or support data.
- ❑ The PAR did not thoroughly analyze each alternative in the “Alternative Analysis” section. Deficiencies may include but are not limited to:
 - missing important system components in the description, system schematic and cost analysis,
 - projecting operational requirements such as labor hours significantly lower than typically seen,
 - no discussion of the ability to meet regulatory requirements,
 - no discussion on permits or omitting discussion on permits that require significant time and/or effort to obtain the permit,
 - no discussion on land requirements,
 - no discussion on environmental considerations or no discussion on a particular environmental issue that is particularly pertinent to the alternative,
 - no discussion of possible construction problems or issues, or
 - cost estimates that are not supportable and may result in a significant cost change (either unreasonably low or unreasonably high cost projections).
- ❑ The PAR did not provide an adequately detailed description of the preferred alternative.
- ❑ The PAR did not adequately complete the Environmental Checklist, or the discussion or data relating to potential environmental impacts and mitigation measures was inadequately dealt with.

- ❑ The PAR did not include an adequately detailed cost estimate for the preferred alternative. The budget did not include administration costs and activity costs. Costs were not supported or adequately discussed to explain why particular costs are lower or higher than typically seen.
- ❑ The PAR did not include an adequate annual operating budget.
- ❑ The PAR did not contain an adequate funding strategy or the funding strategy did not adequately consider the application cycles, release of funds cycles, or funding agency limitations for expenditures.
- ❑ The PAR did not include an adequate implementation schedule or the implementation schedule conflicts with the funding agency application cycles.

Level 4

The Level 4 PAR is considered a good PAR, but it lacks some of the information, level of detail, or documentation that normally is expected to be found in a Level 5 PAR. The difference between a Level “5” PAR and a Level “4” PAR is in the level of detail provided in the analysis and adequacy of the supporting documentation and analysis. The information, level of detail, or documentation that is missing is considered to be of minor significance, and in the opinion of the review team does not impact the analysis or conclusions of the PAR.

Level 3

The Level 3 PAR is an average PAR. An average PAR will likely lack full detail and support on some items that may be determined to be important, but the document provides the basic information required for the reviewers to determine that an appropriate alternative has been selected. The difference between a Level “4” PAR and a Level “3” PAR is in the importance of the missing information. If the missing information is determined to be minor and insignificant the PAR should be ranked a Level 4. However, if the missing information is determined to be important and potentially significant, but the review team feels the issues can be overcome without substantial changes in the PAR recommendations, costs, or project schedules, the PAR should be ranked a Level 3.

Level 2

The Level 2 PAR is a less than adequate PAR. The document does not provide a sufficient amount of information or analysis for the reviewers to determine that an appropriate alternative has been selected. The difference between a Level “3” PAR and a Level “2” PAR is again the degree of importance attached to the missing information. The Level 2 PAR lacks sufficient detail and analysis for some items, which are determined to be significantly important. The review team feels the missing information raises serious questions regarding the appropriateness of the alternative selected, and if additional information was provided, along with a better analysis, the review team feels the recommendations in PAR may possibly be different.

Level 1

The Level 1 PAR is a completely inadequate PAR. The PAR does not address numerous critical issues that are needed to evaluate the project proposed by the applicant. If the CDBG application does not contain a PAR and does not attempt to address Project Concept and Technical Design, in any technical manner, the applicant may be awarded zero points for this criterion.

SCORING

Each application will receive points depending upon its overall response to the "Project Concept and Technical Design" criterion in comparison to the other applications submitted:

BEST	5 --	100 points
	4 --	80 points
	3 --	60 points
	2 --	40 points
	1 --	20 points
	0 --	0 points

4. COMMUNITY EFFORTS -- 75 points

RANKING CRITERION

The “Community Efforts” criterion considers the following, relative to the capacity of the applicant:

- the thoroughness of the applicant's past efforts to address public facilities problems with local resources;
- other non-financial community efforts by the applicant to assure adequate and cost-effective public facilities, including long-term operation and maintenance practices; and
- the applicant's commitment to long-range planning for infrastructure needs, as demonstrated by adoption of an up-to-date capital improvements plan for public infrastructure which is revised annually and adoption of a growth policy which includes a strategy for development, maintenance, and replacement of public infrastructure.



Applicants Applying to CDBG for TSEP Projects Submitted in May, 2004 (for the Same Public Facilities Project)

Some local governments will be applying to CDBG for TSEP projects submitted in May, 2004 (for the same project). In these cases, applicants must submit a new narrative response for this CDBG ranking criterion.

REQUIREMENTS:

1. In addition to the financial information requested in the *Uniform Application Supplement for Montana Public Facility Projects, Fourth Edition (September, 2003)*, the applicant must describe its past efforts to resolve the public facilities problem with local resources and non-financial community efforts directly or indirectly linked to the proposed project.
2. In documenting a commitment of public funds or resources committed by a local government, the applicant must provide a resolution by the governing body that specifies the approximate amount of the commitment.



DIRECTIONS FOR APPLICANTS:

- The MDOC CDBG staff will consider the following ranking issues in scoring applications for this criterion. Applicants should make sure that their narrative response to the ranking criterion thoroughly addresses the questions that are applicable to their proposed CDBG project.
- The applicant should respond “point by point” to the following issues, but to reduce duplication, the applicant may reference other sections of the application where the issue has already been addressed.

- In addition to providing a reference, you should include a statement that summarizes the relationship of what is being referenced to the particular ranking issue or special requirement. For example, state "See page 20, paragraph a. of the Uniform Application which provides a detailed description of alternatives considered" as a response to a ranking criterion or special requirement.
- This ranking criterion will also be scored, in part, based upon the information contained in the applicant's **Uniform Application for Montana Public Facility Projects, Fourth Edition (September, 2003)** including the **Preliminary Engineering Report (PER)** for drinking water, wastewater, storm sewer, or solid waste projects, or from the **Preliminary Architectural Report (PAR)** for other public facilities projects involving new construction or rehabilitation of existing buildings. Applicants should reference pertinent sections of the Uniform Application and the PER/PAR in their narrative responses.

In addition, for ease of reference, applicants should provide any appropriate documentation or pertinent exhibits immediately following their responses to the APPLICATION RANKING ISSUES, rather than appending them to the end of the overall application.

APPLICATION RANKING ISSUES

A. Past Efforts with Local Resources

1. Have there been substantial past efforts to deal with overall community public facilities problems through a long-term commitment to capital improvement planning and budgeting? Is the capital improvements plan (CIP) current and updated annually in conjunction with the annual budget process?
 - *Describe efforts to deal with public facilities problems through a long-term commitment to capital improvements planning and budgeting.*
 - *Describe how the capital improvements plan is utilized in conjunction with the local government's budget process.*
 - *Describe efforts to keep the CIP current through annual updates or periodic revisions. If a CIP has been adopted, attach a copy of it.*
2. In addition to capital improvements planning, have there been additional efforts to deal with overall community public facilities problems by raising taxes, monthly user charges, hook-up charges or fee schedules to the maximum reasonable extent to provide funds for improvements to the proposed project?
3. Have reasonable operation and maintenance budgets and practices been maintained for the facility over the long-term, including adequate reserves for repair and replacement? *(For water and wastewater projects, provide a description and history of the system's operation and maintenance budgets and practices. Describe whether the applicant will be able to fund future improvements through reserves/depreciation accounts with only minimal assistance from state federal grants.)*
4. If there are indications that the problem is not of recent origin, or has developed because of inadequate operation and maintenance practices in the past, has the applicant

thoroughly explained the circumstances and described the actions that management will take in the future to assure that the problem will not reoccur? *(If the deficiencies are a result of inadequate operation and maintenance practices or have been present for more than two years, explain the circumstances and describe the actions that will be taken in the future to assure that the problem will not reoccur.)*

5. Has your community or county *(if a county application)* documented an on-going, long-term commitment to long-range community planning for public facilities by preparing and adopting a growth policy in accordance with Section 76-1-601, MCA, which includes a "strategy for development, maintenance, and replacement of public infrastructure?"
6. Is the proposed project consistent with current plans (such as a local capital improvements plan, growth policy, transportation plan, or any other development-related plan) adopted by the applicant? In particular, if the applicant is a county water and sewer district, how does the proposed project fit in the county's growth policy?
7. For projects involving drinking water system improvements, has the applicant installed individual service connection meters to encourage conservation and a more equitable assignment of user costs, and has the applicant adopted and implemented a source water protection program (wellhead protection plan) for a groundwater source?
8. Did the applicant provide any other pertinent information that could improve the application's score for this ranking criterion?

SCORING

Each application will receive points depending upon its overall response to the "Community Efforts" criterion, in comparison to the other applications submitted:

BEST	5 --	75 points
	4 --	60 points
	3 --	45 points
	2 --	30 points
	1 --	15 points
	0 --	0 points

5. NEED FOR FINANCIAL ASSISTANCE -- 150 points

RANKING CRITERION

The "Need for Financial Assistance" criterion considers whether:

- MDOC's analysis of financial indicators demonstrates that the applicant's need for CDBG assistance is comparatively greater than other applicants' needs.
- the applicant's presentation of the proposed project budget and financing strategy, and documentation of local financial capacity clearly support the applicant's lack of ability to pay the projected costs without CDBG assistance.
- the applicant has demonstrated that the level of local financial participation in the proposed project is the maximum that can reasonably be expected.
- The amount of CDBG assistance requested per benefiting household is reasonable, in comparison to other applications.
- For water, wastewater, storm sewer, and solid waste projects, projected monthly user charges would increase as a result of the project to an amount equal to or greater than the "target rate" for the community, including the requested CDBG assistance.

The amount of points assigned to a project for the "Need for Financial Assistance" ranking criterion will depend on the applicant's relative need for CDBG assistance compared with other applicants using an analysis of appropriate financial indicators. The financial need assessment will also serve as the basis for MDOC's recommendations regarding the amount of financial assistance to be awarded each project.



Applicants Applying to CDBG for TSEP Projects Submitted in May, 2004 (for the Same Public Facilities Project)

Some local governments will be applying to CDBG for TSEP projects submitted in May, 2004 (for the same project). In these cases, applicants must submit a new narrative response for this CDBG ranking criterion.

REQUIREMENTS:



All CDBG applicants, must submit pertinent information, as appropriate, regarding local financial match and the limitation on CDBG funds per LMI household. These requirements are described below.

A. Local Financial Match

Applicants must contribute local funds equal to at least 25% of the total CDBG funds requested for administrative and public facilities activities. For example, if a community intends to request a total of \$500,000 in CDBG funds for administrative and public facilities costs, it would have to provide a \$125,000 matching contribution to the total project cost.

Definition of "Local Match"

The local share of the project budget is usually provided either by a direct cash contribution or by incurring a loan or issuing bonds to be re-paid through user charges or property tax assessments. The sources of eligible matching funds listed below are identical to those accepted by the Treasure State Endowment Program (TSEP), as follows:

- (a) local general funds or other cash;
- (b) proceeds from the sale of general obligation, revenue, special assessment or other bonds;
- (c) entitlement or formula-based federal or state funds such as federal highway funds or payments in lieu of taxes;
- (d) loan or grant funds from a state or federal program (including TSEP loans);
- (e) funds expended for engineering studies, reports, and plans, or other reasonable expenses expended for the preparation of the application, directly related to the proposed project during the period 24 months prior to the CDBG application deadline, i.e., May 27, 2003 to May 27, 2005;
- (f) funds expended after the CDBG application deadline, May 27, 2005, for project management, final architectural or engineering design, and other reasonable expenses necessary to prepare the project as proposed in the CDBG application for the construction phase;
- (g) the value of land or materials provided by the applicant, if appraised within a two-year period preceding the application deadline. The appraisal must be:
 - (i) an impartially written statement that adequately describes the land or materials, and states an opinion of defined value as of a specific date;
 - (ii) supported by an analysis of relevant market information; and
 - (iii) prepared by a qualified appraiser independent from the applicant.
- (h) the value of labor performed by the applicant's employees on the proposed project, after the CDBG project has been approved for funding and a CDBG contract has been signed, as long as the employee is paid at his or her standard hourly rate of pay and the time worked is adequately documented; and
- (i) the value of machinery used in the process of constructing the project that is owned (or leased) and operated by the applicant. The value of the use of the machinery will be determined using the Federal Emergency Management Agency (FEMA) equipment rate schedules.

Ineligible Matching Funds

Land, materials or services that cannot accurately and fairly be assigned a uniform monetary value are ineligible as matching funds. Funds expended on a project before

the announcement of tentative grant award by the Director of the Department of Commerce are ineligible as matching funds, except as noted above.

A. Eligibility for Waiver of Local Match Requirement

In cases of extreme financial hardship and where the public's health or safety is affected, applicants may request MDOC to waive the 25 percent matching requirement. **THE WAIVER OF THE LOCAL MATCH REQUIREMENT MUST BE CLEARLY REQUESTED BY THE APPLICANT. The applicant must document that due to financial hardship, without additional grant assistance, the financial burden would be unreasonable.** The match will only be waived in those cases where all three waiver conditions listed below in C. exist.

B. Limitation on CDBG Funds Per LMI Household or Individual

The amount of CDBG funds requested per benefited LMI household or individual (per active residential connection in the case of sewer or water projects) for the proposed project must be reasonable in relation to those requested by other applicants. **In no case should the grant request exceed \$15,000 per low and moderate income household or individual to be assisted unless all three of the waiver conditions below in C. are met.**

CDBG funds per LMI household is determined by dividing the total amount of CDBG funds requested by the total number of LMI households (or as appropriate, individuals) to be served by the proposed public facility. An applicant for CDBG funds who is requesting in excess of \$15,000 per LMI household or individual to be assisted by the project must be able to clearly document that without additional grant assistance the financial burden on local residents or a private, non-profit organization would be extraordinary and unreasonable.

C. Conditions for Waiver

1. A serious deficiency exists in a basic or necessary community facility or service or the community lacks the facility or service entirely and adverse consequences clearly attributable to the deficiency, have occurred, or are likely to occur.
2. The financial analysis clearly indicates that higher local financial participation is not feasible or appropriate. For water, wastewater, storm sewer, or solid waste projects, user rates would be more than 200 percent of the "target rate" (based upon the projected monthly rates with CDBG assistance).
3. Other sources of funding are not reasonably available.

In those cases where the projected user rate would be more than 200 percent of the "target rate", the amount of the match could be reduced proportionally or eliminated as appropriate to avoid exceeding 200 percent of the target rate.

D. Other Requirements

1. Applications Involving Water, Wastewater, Storm Sewer, and Solid Waste Projects

Each applicant must provide a completed copy of the appropriate Montana Public Facility Financial Information Form and a narrative based on "Part 3. Funding Strategy Narrative" (page 40) found in the *Uniform Application for Montana Public Facility Projects, Fourth Edition*

(September, 2003). (A Target Rate Analysis will be generated by MDOC's Target Rate Computer Analysis Program.)

2. Applications Involving Non-profit Organizations

Applicants applying on behalf of non-profit organizations which will operate and own or lease an assisted facility or project must submit complete information as required under the "Special Requirements for Projects Involving Non-profit Organizations," found in Appendix N.

In addition to Appendix N, non-profit organizations must submit completed sections A, B, and C (pages 37 to 42) of the *Uniform Application for Montana Public Facility Projects, Fourth Edition* (September, 2003); and provide a narrative response to applicable ranking issues outlined below.

3. Other Local Government Public Facilities Projects

Other local government public facilities (such as fire stations, county hospitals or nursing homes) must submit completed sections A, B, and C (pages 37 to 42), and the Balance Sheet and Income and Expense Statement, or its equivalent (page 49) of the *Uniform Application for Montana Public Facility Projects, Fourth Edition* (September, 2003); provide detailed information on the entity's budget and manner of operation; and provide a narrative response to applicable ranking issues outlined below.

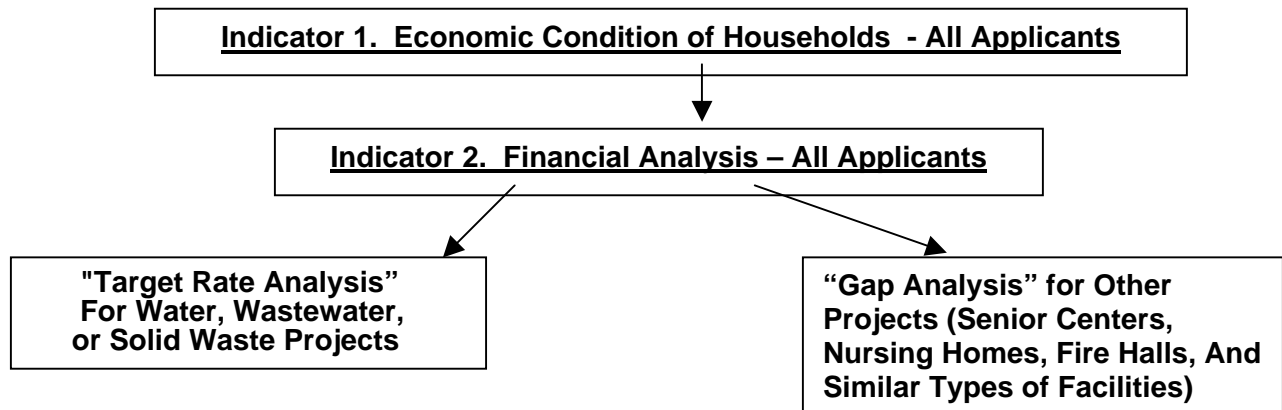
Ranking Procedures

Applicants will be ranked and points awarded using a computer-assisted procedure, which performs a comparative analysis of financial indicators. This process is conducted using two competitive ranking indicators that evaluate the relative financial need of each applicant.

The analysis for the first indicator, **Economic Condition of Households**, is common to all applicants, while the analysis for the second indicator, **Financial Analysis**, depends on whether the project is to assist water, wastewater, storm sewer, and solid waste activities or other types of projects, such as senior centers, nursing homes, fire stations, and similar types of facilities. (Please refer to Exhibit 2).

Exhibit 2

Financial Indicators Used in Analyzing Financial Need



The two financial need indicators are described below:

Indicator 1. Economic Condition of Households

The first indicator provides a general measure to compare the relative economic condition of households for each applicant. This analysis consists of ranking each applicant in relation to:

- a. the level of the community's Median Household Income (MHI);
- b. the percent of persons in the jurisdiction at or below the income level designated as "Low to Moderate Income" (LMI) as defined by the Federal Community Development Block Grant Program; and
- c. the percent of persons at or below the income level designated as "Poverty", as defined by the U.S. Census.

"MHI" is calculated by the U.S. Bureau of the Census as the amount of household income above and below which the household incomes in a jurisdiction are equally distributed. In other words, there are as many households with incomes above MHI as there are below MHI. This indicator provides a comparative measure of the community's overall ability to pay for infrastructure and public services. Considering the applicant's MHI, in conjunction with the percent of persons existing at or below the levels of LMI and Poverty, provides a means of identifying concentrations of population which have relatively less ability to pay for public services. Use of this indicator helps assure that grant award recommendations take into account pockets of low and moderate income persons in a community or county that would be extraordinarily burdened by increasing public utility rates and other governmental charges.

The first indicator accounts for 40 percent of the 150 points possible under the "Need for Financial Assistance" ranking criterion, or up to 60 points. The MHI, LMI and Poverty each account for one-third of the possible points for this indicator. The points awarded in the economic condition of household analysis are automatically computed and allocated based on a five level scoring system.

COMMENT: The data used in Indicator 1. Economic Condition of Households Analysis, will be compiled by the Department of Commerce from MHI, LMI, and Poverty statistics derived from the most recent official statewide data supplied by the U.S. Bureau of the Census. **Applicants do not need to provide the census data.**

However, for some applicants, there is no census data currently available for the specific project area, except to use census data for the entire county or city. Use of census data for the entire county or city may not accurately reflect the economic condition of households within the project area. Examples of applicants that are not likely to have census data currently available for the specific project area would be county water and sewer districts or a project that encompasses a particular neighborhood within a city.

As a result, for projects that do not have census data currently available, CDBG will compute the MHI, LMI and Poverty statistics by using data for the smallest geographical census area that encompasses the proposed project area. Upon request, CDBG staff will compute the MHI, LMI and Poverty statistics for the project area and determine the local government's target rate.

Potential applicants will need to provide a map clearly showing the boundaries of the project area along with any other references, such as roads and rivers that would help to locate the project area on the census maps.

Indicator 2. Financial Analysis

For Water, Wastewater, Storm Sewer, and Solid Waste Projects

A major goal of CDBG assistance for public facilities projects is to help ensure that infrastructure projects are kept reasonably affordable for communities to construct and maintain. For water, wastewater, or solid waste projects, the relative need for financial assistance is determined by "Target Rate Analysis." This analysis compares applicants' projected user rates after the project is built versus predetermined benchmarks or "targets," and analyzes each applicant's capacity to finance debt for a proposed project, taking into account current obligations.

"Target user rates" are based on a percentage of Median Household Income (MHI). This approach has been used by the U.S. Department of Agriculture's Rural Development/Rural Utilities Service program and the MDOC CDBG and TSEP programs for many years. "Target rates" are also used by the Department of Environmental Quality to determine eligibility for "hardship" status under the Drinking Water and Wastewater State Revolving Fund programs.

Target user rates were determined by surveying the average, monthly water and wastewater rates currently paid by Montana communities, which have recently improved their water and sewer systems and the percentage of their combined rates as a ratio of their MHI. The analysis looks at the combined rates for water and wastewater systems whenever communities have both systems, to ensure that the low rates for an applicant's wastewater system do not ignore the high rates that are charged for the water system (or vice versa), thereby understating an applicant's need for financial assistance.

A community's target rate is computed by multiplying the community's MHI by the combined target percentage of 2.3. percent (1.4 percent for water systems and .9 percent for wastewater systems). For communities with a water or wastewater system, but not the other, only the target percentage for the single system is used. The analysis for solid waste systems is based on the user rates for that system alone. The points awarded in the target rate analysis are automatically computed and allocated based on a five level scoring system.

For the May, 2005 CDBG Program, the "Target Rates" for water and wastewater projects will be as follows:

- ☐ **1.4% of MHI for communities with only a water system,**
- ☐ **0.9% of MHI for communities with only a wastewater system, or**
- ☐ **2.3% of MHI for communities with both water and wastewater systems.**

If an applicant's projected rates, after completion of the CDBG project, would be less than the target rate, the applicant is considered to have the ability to borrow for the project in place of CDBG grant funds. In other words, the analysis looks at whether the applicant has unused debt capacity which could be substituted for all of or a portion of the requested CDBG grant. If it can be reasonably concluded that an applicant has some capacity to borrow, CDBG staff would

subtract the amount of borrowing capacity from the grant request to determine the amount of the recommended CDBG grant award, if any.

Each applicant proposing to assist a water, wastewater, storm sewer, or solid waste project must submit a funding strategy which would assure that projected user charges would, at a minimum, meet the target rate for the community for the public facility as set forth in Appendix J and on the CDBG website. (For more information on target rate analysis, applicants should carefully review **Appendix I**, "Target Rate Analysis for Water, Wastewater and Solid Waste Projects".)

In order to be eligible for a CDBG grant, the applicant's projected rates, after implementation of the CDBG project, must be at or above the target rate. If it appears that the applicant has sufficient debt capacity to finance the amount requested from CDBG such that the resulting increased user fees appear reasonably affordable for local citizens, DOC will not recommend grant funding for the applicant. In the event an applicant has unique constraints on its capacity to incur debt for the system, which would prevent it from reaching the recommended target rate, it should provide documentation from a recognized bonding firm, bond counsel, or qualified financial consultant to substantiate the limitation on its borrowing capacity.

Communities That Have Undergone Significant Demographic Or Economic Changes

Some communities may have undergone significant demographic or economic changes since the 2000 Census information was obtained. A major industry, such as a lumber mill or a mine, may have closed. In a small community the mill or the mine may have been the major employer. The impact of the closing may have resulted in major economic changes for the community. It would mean a loss of jobs, which are typically higher paying jobs, potentially a loss of population as families move to find new jobs, and probably less spending in the retail and service sectors of the local economy. These changes may have resulted in a significantly higher percentage of low to moderate income households. Under these conditions, an applicant may conduct an income survey in order to establish more current income figures. See Criterion # 6, "Benefit to Low and Moderate Income" for more information on requirements for conducting an income survey.

COMMENT: All financial information presented relative to this CDBG ranking criterion should be consistent with the information provided in **Appendix D, Application Instructions and Format for CDBG Public Facility Projects.**

For Non-Water, Wastewater, Storm Sewer, and Solid Waste Projects - "Gap Analysis"

Financial analysis for other public facility projects, such as senior centers, nursing homes, fire stations, and similar community facilities, funded through general taxes or other sources is different from water and wastewater projects which are enterprise systems and financed through user fees. Instead of target rate analysis, the analysis for projects financed through general taxes or other sources will look at the overall level of financial revenues available to assist the facility (e.g., taxes levied on residential households within the affected jurisdiction) versus an identified funding gap based on the lack of revenues.

For public facility projects other than water, wastewater, storm sewer, or solid waste, CDBG staff will conduct a "gap analysis" to determine applicants' relative financial need for grant funds. Financial gap analysis produces a conclusion regarding an applicant's ability to borrow funds or to otherwise finance a project without the use of CDBG funds. The analysis is based on the policy

that applicants should receive CDBG support only to the extent that they cannot finance their projects without CDBG assistance.



DIRECTIONS FOR APPLICANTS:

- The MDOC CDBG staff will consider the following ranking issues in scoring applications for this criterion. Applicants should make sure that their narrative response to the ranking criterion thoroughly addresses the questions that are applicable to their proposed CDBG project.
- The applicant should respond "point by point" to the following issues, but to reduce duplication, the applicant may reference other sections of the application where the issue has already been addressed.
- In addition to providing a reference, you should include a statement that summarizes the relationship of what is being referenced to the particular ranking issue or special requirement. For example, state "See page 20, paragraph a. of the Uniform Application which provides a detailed description of alternatives considered" as a response to a ranking criterion or special requirement.
- This ranking criterion will also be scored based upon the information contained in the applicant's **Uniform Application for Montana Public Facility Projects, Fourth Edition (September, 2003)** including the **Preliminary Engineering Report (PER)** for drinking water, wastewater, storm sewer, or solid waste projects, or from the **Preliminary Architectural Report (PAR)** for other public facilities projects involving new construction or rehabilitation of existing buildings. Applicants should reference pertinent sections of the Uniform Application and the PER/PAR in their narrative responses.

In addition, for ease of reference, applicants should provide any appropriate documentation or pertinent exhibits immediately following their responses to the APPLICATION RANKING ISSUES, rather than appending them to the end of the overall application.

1. Applications Involving Water, Wastewater, Storm Sewer, and Solid Waste Projects

(A Target Rate Analysis will be generated by MDOC's Target Rate and Financial Gap Computer Analysis Program.)

Applicants must provide a completed copy of the appropriate Montana Public Facility Financial Information Form and a narrative based on "Part 3. Funding Strategy Narrative" (page 40) found in the *Uniform Application Supplement for Montana Public Facility Projects, Fourth Edition (September, 2003)*.

2. Applications Involving Non-profit or For-profit Organizations as Sub-recipients


If your community is applying on behalf of a non-profit or for-profit organization, which will operate and own or lease an assisted facility or project, you must submit complete information as required under the "Special Requirements for Projects Involving Non-profit or For-profit Organizations," found in Appendix N. Applicants should provide thorough responses to the requested information because it will be used as a key element in evaluating applications involving non-profit or for-profit organizations.

In addition to Appendix N, you must submit information on the non-profit organization by completing sections A, B, and C (pages 37 to 42), and the Balance Sheet and Income and Expense Statement, or its equivalent (page 49) of the *Uniform Application for Montana Public Facility Projects, Fourth Edition (September, 2003)*; and provide a narrative response to applicable ranking issues outlined below.

3. Local Government Public Facilities Projects Other Than Water, Wastewater, Storm Sewer, and Solid Waste

For local government public facilities projects other than water, wastewater, and solid waste (such as fire stations, county hospitals or nursing homes) applicants must submit completed sections A, B, and C (pages 37 to 42) of the *Uniform Application for Montana Public Facility Projects, Fourth Edition (September, 2003)*; provide detailed information on the entity's budget and manner of operation; and provide a narrative response to applicable ranking issues outlined below.

APPLICATION RANKING ISSUES

 **Reminder** - Applicants must thoroughly address the financial questions a. – i. included on page 21 of the *Uniform Application for Montana Public Facility Projects, Fourth Edition, September, 2003*.

I. FOR ALL PUBLIC FACILITY PROJECTS:

A. Need for CDBG Financial Assistance

1. Have you documented serious efforts to consider all appropriate federal, state and local, public and private funding sources that could potentially assist with this project or have you thoroughly demonstrated that other private, local, State or federal resources are not available at reasonable cost to address the identified need?
2. Have you clearly explained and documented that the level of local financial participation in the proposed project is the maximum that can reasonably be expected?
3. Have you documented that your community or county's request for CDBG financial assistance is necessary and reasonable relative to its financial capability?
4. For water, wastewater, and solid waste projects, without the requested CDBG assistance, would monthly user charges increase as a result of the project to an amount above the "target rate" for the community? Please explain.
5. Has the applicant documented that the CDBG funds requested do not exceed \$15,000 per LMI household or individual assisted? If yes, has the applicant met the waiver tests?

B. Other Information

Did the applicant provide any other pertinent information that could improve the application's score for this ranking criterion?

II. FOR NON-PROFIT ORGANIZATIONS

A. Local Contributions

1. Did the applicant or non-profit organization document efforts to make local contributions to the project, such as:
 - (a) local cash or in-kind contributions to proposed activities?
 - (b) absorbing some or all administrative costs, or other forms of direct financial or in-kind contributions to support the project?

B. Past and Current Method of Operation

1. Has the organization provided financial statements for the past three years of operation, with a complete narrative describing past and current financial operations?
2. If the organization or entity is carrying debt, did the applicant explain the circumstances, the amount of the debt, and the terms and conditions? When will the debts mature?
3. Did the applicant provide a thorough line item discussion regarding current and proposed sources and uses of funds? Are they appropriate for the type of facility?

C. Future Operation Plan

1. Has the organization provided detailed cash flow and budget projections for a period of three years after project completion, including a line item explanation of projected costs for the facility?
2. Did the organization thoroughly describe its assumptions regarding long-term expenses and revenues and are they reasonable?
3. Did the organization explain what the projected debt service would be as a result of this project, and whether the organization can be assured of the long-term cash flow to meet its debt obligations?

D. OTHER INFORMATION

Did the non-profit organization provide any other pertinent information which could improve the ranking of the application for this ranking criterion?

III. FOR OTHER LOCAL GOVERNMENT PUBLIC FACILITY PROJECTS (such as Fire Stations, County Hospitals, and County Nursing Homes):

A. Local Contributions

1. Has the applicant documented efforts to make local contributions to the project, such as:
 - (b) local cash or in-kind contributions to proposed activities, or
 - (b) absorbing some or all administrative costs, or other forms of direct financial or in-kind contributions to support the project?

B. Current and Future Operation

1. Did the applicant submit copies of the facility's annual report for the past three years of operation and provide a complete narrative describing the facility's past and current financial operations?
2. Did the applicant submit:
 - a. projections of income and expenditures for the next three years of operation; and
 - b. an explanation regarding district debt, and when debts will mature?
3. Did the applicant adequately describe:
 - a. The projected debt service for this project and whether the facility will have the cash flow to meet its debt obligations?
 - b. Whether the facility has the fiscal capacity for expansion?
 - c. Whether all reasonable alternate and supplemental funding sources have been explored from other federal, state, local government or non-profit organization programs?

This priority will be automatically scored using a computer-assisted analysis during the summer of 2005 for water, wastewater, storm sewer, and solid waste projects.

SCORING

For the "Need for Financial Assistance" criterion, each application will receive points depending upon its overall response to the criterion in comparison to the other applications submitted based, in part, upon computer-generated analysis of comparative financial need. Forty percent (40%) of the possible 150 points (up to 60 points) is based upon Financial Indicator #1- Economic Condition of Households.

The financial analysis of this indicator consists of ranking each applicant in relation to:

- the level of the community Median Household Income (MHI);
- the percent of Low and Moderate Income as calculated by HUD based upon 2000 census data; and,
- the percent of persons designated as "Poverty" as defined in 2000 census data.

Sixty percent (60%) of the possible 150 points (up to 90 points) is based upon Financial Indicator #2 – Target Rate Analysis for Water and Wastewater Projects or "Gap Analysis" for Non-Water and Wastewater Projects.

6. BENEFIT TO LOW AND MODERATE INCOME -- 100 points

RANKING CRITERION

All CDBG projects must be designed to principally benefit low and moderate income families. Each applicant must document in its application that:

- a minimum of 51% of the non-administrative funds requested for a CDBG project will be used for activities that are clearly designed to meet identified needs of low and moderate income (LMI) persons in the project area.
- any activities proposed would not benefit moderate income persons in a manner that would exclude or discriminate against low income persons. *See Appendix K.*

Applicants for Public Facilities projects must ensure that at least 51% of the families or persons that will be served by the project are LMI. For example, applicants can document that at least 51% of the residents in the geographic area of a water or sewer project are LMI through census data or local income surveys.

The LMI requirement can also be met by using CDBG funds to assist a facility that will primarily serve a LMI clientele, such as a Head Start Center or a senior citizens center. Head Start centers are presumed to provide 90% benefit to LMI because of the program's federal eligibility standards (unless information is provided documenting a higher percentage benefit). Senior centers are, under HUD policy, presumed to principally benefit LMI persons and are automatically assigned 51% benefit to ranking purposes. If an applicant wants to claim a higher percentage of benefit for a senior center, the applicant must conduct an income survey of persons served by the senior center that meets the MDOC minimum requirements for CDBG income surveys outlined below.

If a local income survey was conducted, the application must include a summary of the income survey results and a description of the survey methodology used. (See the MDOC handbook entitled *Documenting Benefit to Low and Moderate Income Persons* for additional discussion of the minimum requirements for local income surveys.) Current income limits for Montana counties are included in Exhibit L.

Under HUD regulations, MDOC cannot accept the results from a local income survey for ranking purposes unless the applicant has adequately described the survey methodology used and adequately documented that the methodology meets the CDBG requirements, including:

1. the use of correct LMI income levels;
2. the use of an acceptable survey format ;
3. meeting minimum sample size; and
4. the survey sample was either truly random OR the total population was surveyed.

Before conducting a local income survey, CDBG applicants should submit a draft of the survey form they intend to use to MDOC CDBG staff for their review to assure that the results of the survey will be acceptable for ranking purposes.

MDOC will evaluate how CDBG financial participation in a public facility project will actually benefit LMI and other community residents. For example, installing new water lines in a neighborhood that consists predominantly of LMI families would not be considered to be principally benefiting LMI if the practical result would be lower water rates community-wide. In

such a case, the community's overall percentage of LMI would be used to score LMI benefit since all of the community's residents would share in the financial benefits from the CDBG assistance. For additional information regarding LMI benefit, see the MDOC guidelines, *Documenting Benefit to Low and Moderate Income Persons*.

*** Note: Applicants must document the survey methodology used to determine the community's LMI in accordance with the requirements above. If this process is not properly documented, MDOC will use HUD community LMI data instead of the results claimed from a local income survey that fails to meet MDOC requirements.**

REQUIREMENTS:

- A. Applicants must provide a narrative response that describes how the proposed project will principally benefit LMI persons and comply with the CDBG LMI requirements outlined below.
- B. Applicants must provide a completed copy of the "Benefit to LMI Form". See Appendix K for the CDBG Benefit to LMI form and instructions.
- C. Documentation for benefit to low and moderate income persons must be consistent with the most recent edition of MDOC guidelines, *Documenting Benefit to Low and Moderate Income Persons*. Key requirements are as follows:
 1. For indirect (area wide) benefit situations:
 - (a) Document that area is principally residential,
 - (b) Verify LMI benefit with HUD LMI data, or
 - (c) Verify LMI benefit with local LMI survey and adequately describe methodology.
 - (1) Document that correct LMI income levels were used.
 - (2) Provide a copy of the survey with an acceptable format and a summary of results.
 - (3) Document that the minimum sample size requirement was met.
 - (4) Document that the sample was either random or included the total population.
 2. In projects where direct financial assistance to LMI persons is proposed or for projects which would involve limited clientele benefit situations, describe how LMI status will be documented. Either:
 - (a) The clientele is presumed to be LMI under HUD regulations, or
 - (b) The applicant can confirm the LMI status of beneficiaries and limit benefits to only LMI persons.

(For more information on "limited clientele" benefit and "targeting" concepts, see the MDOC CDBG publication, *Documenting Benefit to Low and Moderate Income Persons*.)

Note: The Federal Housing and Community Development Act imposes special requirements on projects which will be financed, in part, by hookup charges or assessments on property, such as through a special improvement district. The proposed targeting procedures must be consistent with the requirements described in Chapter V, Section B - Special Requirements for Public Facilities Projects.

**DIRECTIONS FOR APPLICANTS:**

- The MDOC CDBG staff will consider the following ranking issues in scoring applications for this criterion. Applicants should make sure that their narrative response to the ranking criterion thoroughly addresses the questions that are applicable to their proposed CDBG project.
- The applicant should respond “point by point” to the following issues, but to reduce duplication, the applicant may reference other sections of the application where the issue has already been addressed.
- In addition to providing a reference, you should include a statement that summarizes the relationship of what is being referenced to the particular ranking issue or special requirement. For example, state “See page 20, paragraph a. of the Uniform Application which provides a detailed description of alternatives considered” as a response to a ranking criterion or special requirement.
- This ranking criterion will also be scored based upon the information contained in the applicant's **Uniform Application for Montana Public Facility Projects, Fourth Edition (September, 2003)** including the **Preliminary Engineering Report (PER)** for drinking water, wastewater, storm sewer, or solid waste projects, or from the **Preliminary Architectural Report (PAR)** for other public facilities projects involving new construction or rehabilitation of existing buildings. Applicants should reference pertinent sections of the Uniform Application and the PER/PAR in their narrative responses.

In addition, for ease of reference, applicants should provide any appropriate documentation or pertinent exhibits immediately following their responses to the APPLICATION RANKING ISSUES, rather than appending them to the end of the overall application.

APPLICATION RANKING ISSUES**A. Income Survey**

1. If the applicant conducted an income survey, was the income survey format in accordance with MDOC requirements? *(Please provide a sample of your survey format.)*
2. Were the correct HUD LMI income levels used for the survey? *(Please contact MDOC for the most current HUD LMI limits before you conduct an income survey.)*
3. Did the applicant adequately describe the methodology it used to complete the income survey?
4. Was the survey sample random or was the total population surveyed? *(If a population survey was conducted but less than 100% of the households were surveyed, please explain the methodology for the survey sample.)*
5. Did the applicant adequately describe the results of that income survey?

6. Did the applicant's survey meet the required minimum sample size as described in the MDOC publication, "*Documenting Benefit to Low and Moderate Income Persons*"?

*** Note: Applicants must document the process used to determine the community's LMI in accordance with the requirements above. If this process is not adequately documented consistent with CDBG requirements, MDOC will use HUD data rather than the results claimed from a local income survey that fails to meet the CDBG minimum requirements.**

B. Other Information

Did the applicant provide any other pertinent information that could improve the application's score for this ranking criterion?

A SPECIAL CASE - CALCULATING LMI BENEFIT FOR A MIXED USE BUILDING:

If an applicant proposes to build a mixed-use building that will involve uses that will principally benefit LMI as well as uses that will not, and use CDBG funds to construct a portion of the building for an LMI service, such as a Head Start Center, then the applicant must calculate and prorate the amount of square footage which will provide LMI benefit in the building.

EXAMPLE: A mixed-use community center building. The community center would house a Head Start center, public library, and senior center. In order to determine the amount of benefit to LMI persons when parts of the building would be used by non-LMI persons, it would be necessary to calculate the LMI portions of the building to determine LMI benefit.

For this example, we applied the square footage approach to calculating benefit that resulted in an approximate 70% benefit to low and moderate income.

Amount of CDBG funds requested was \$460,000.

The Head Start area of the building equaled 14% of the total building square footage. This would be calculated as 14% X \$460,000 (the total amount of the requested CDBG activity dollars) = \$64,400. All of this amount calculates as 90% benefit to LMI because Head Start is considered a limited clientele benefit (it must assist at least 90% eligible low income children). Therefore, the \$64,400 is 90% benefit; all of this amount benefits LMI.

The Senior Citizens area equaled 1,635 s.f., which was 15% of the total building square footage. 15% X \$460,000 (the total amount of the CDBG activity dollars) = \$69,000. Of this amount, 66% calculates as benefit to LMI based on the claimed income survey response. Therefore, 66% X \$69,000 is \$45,540; this amount is considered to benefit LMI.

The balance of the activity budget (\$460,000 - \$64,400 - \$45,540 = \$350,060) would be calculated as community-wide benefit because this space would be used for activities that benefit the entire community population. This calculates as \$350,060 X .61 (based on a local community-wide LMI survey) = \$213,536 for benefit to LMI.

The sum of the three figures, \$64,400 + \$45,540 + \$213,536 = \$323,476 (the prorated amount which will benefit LMI).

\$323,476 divided by \$460,000 = 70% (benefit to LMI households)

SCORING

To reflect Congress' intent that CDBG funds principally benefit low and moderate income families, this criterion assigns points based on the percentage of CDBG funds that will assist low and moderate income persons, and based on the responses to the ranking issue questions. **The percentage of benefit to low and moderate income persons is determined by dividing the total amount of non-administrative CDBG funds proposed to principally benefit low and moderate income households by the total amount of non-administrative CDBG funds requested by the applicant.**

Scoring Method: Applicants will be assigned two points for each documented percentage of benefit to low and moderate income (LMI) persons over 50 percent. According to HUD instructions, fractional percentages will be rounded to the nearest lower whole number. A community with a 56 percent documented percentage benefit to LMI persons would receive 12 points, as follows: $56 - 50 = 6 \times 2 \text{ points} = 12 \text{ points}$.

*** NOTE:** It should be noted that filling out the Benefit to LMI form is in itself not sufficient to address this criterion. Applicants must respond to the criterion and document the process used to identify LMI households in their community. If applicants do not do both, they may be assigned the HUD community LMI percentage as the basis for the score for this criterion.

_____ Percent (%) LMI Benefit – 50 = _____ X 2 points = _____ points

7. IMPLEMENTATION AND MANAGEMENT -- 125 points**RANKING CRITERION**

The “Implementation and Management” criterion considers the following, relative to the capacity of the applicant:

- Whether the applicant has clearly demonstrated that the project is feasible and achievable, taking into consideration the nature of the project activities, the size and resources of the community, the budget, and implementation schedule proposed,
- The soundness and appropriateness of the applicant's plan for assuring proper overall management of the CDBG project, including financial management of grant funds, compliance with State and federal requirements, and cost-effective completion of project activities,
- The applicant's readiness to implement the project if awarded CDBG funds, including the firm commitment of all non-CDBG funds and resources by July 2005.
- Whether the applicant (or sub-recipient entity) has carefully considered all potential environmental, regulatory, and technical issues which could impact the timely start-up and successful implementation of project activities,
- The soundness of the applicant's (or subrecipient entity's) plans for assuring effective operation and long-term management of any assisted public facility, and
- The applicant's performance on past and current CDBG funded projects.

REQUIREMENTS:**A. Legal Jurisdiction and Authority**

Applicants must have the legal jurisdiction and authority to finance, operate and maintain the proposed facility and, when applicable, must have the demonstrated financial capacity to repay any debt incurred. In all cases, the applicant assumes complete responsibility for proper financial management of the CDBG funds awarded to it and for compliance with all applicable State laws and regulations.

B. Financial Management System

Pursuant to Section 2-7-504, MCA, a CDBG recipient must demonstrate that its financial management system meets generally accepted accounting principles before MDOC will disburse CDBG funds for a local project.

C. Management Capacity

To be awarded a grant under the CDBG Program, a local government must have the management capacity to undertake and satisfactorily complete the project it is proposing within 24 months of grant award. An applicant is assumed to have the capacity to undertake the proposed project unless available information raises a question concerning an applicant's capacity. If any

question arises during the evaluation of the application, MDOC may request additional information. If an applicant does not believe that it currently has the capacity to manage a CDBG grant, it may propose to hire administrative staff or arrange for project administration by another local government through an interlocal agreement or by contracting for administrative services with a consultant. (These are allowable expenses that can be paid for using CDBG funds.)

D. Project Management Plan and Implementation Schedule (See Appendix M)

Each applicant must submit a draft project management plan which, at a minimum:

1. Addresses the local government's plans for assuring proper management of the CDBG project, including financial management of grant funds, compliance with State and federal requirements, and effective and timely start-up and completion of project activities.
2. Identifies the person or persons who will be responsible for day-to-day grant management (or position descriptions developed for these persons) and any contracted services to be utilized in carrying out the project.
3. Includes a quarterly schedule for project implementation that identifies the time frames for major activities and expenditures and the coordination of non-CDBG resources for the project.
4. To familiarize themselves with CDBG project management requirements, applicants may consult the most recent version of the CDBG Grant Administration Manual at the following website:

http://commerce.state.mt.us/CDD_CDBG_GA.asp

E. Proposed Project Budget and Budget Narrative

Each applicant must submit a project budget, using the Budget Form for Montana Public Facility Projects. **The budget must be accompanied by a narrative that thoroughly justifies the rationale and assumptions for each line item of the proposed CDBG project activity and associated administrative costs.** This must include a breakdown identifying the sources and amounts of non-CDBG funds and total project cost estimates for each item. (See the Uniform Application for Montana Public Facility Projects, Fourth Edition (September 2003) for the budget form and instructions.)

Percentage of a Grant Allowed for Project Administration:

The ceiling for local project administrative costs is 10% of the total CDBG grant amount for all Housing projects and Public Facilities projects, with the exception that a 15% ceiling is allowed for housing rehabilitation projects. In the case of housing rehabilitation projects, the cost of housing inspection is considered a non-administrative activity cost for the purpose of calculating the maximum administrative percentage. For the last several years, local project administrative costs for public facilities projects have averaged about five percent. Administrative costs for housing projects (other than housing rehabilitation) have also averaged about five percent. Administrative costs for housing rehabilitation projects have averaged about twelve percent.

F. Firm Commitment of Funds

As appropriate, each applicant must:

1. Demonstrate either that firm commitments exist for any other resources to be involved in the project, or that the resources will be available by July 2005.
 - a. CDBG funds are awarded and received according to a two-step process. In the first step, upon the completion of application ranking, successful applicants are notified of their tentative grant award before CDBG funds are actually received from the U.S. Department of Housing and Urban Development (HUD).
 - b. Later, as the second step, successful applicants will receive a notice of confirmation of final grant award from MDOC after HUD releases Congressionally approved CDBG funds to the state. This action typically occurs in April of each year.
2. In documenting a public commitment, specify the amount and use of the funds or resources. Funds or resources committed by a local government must take the form of a resolution by the governing body that specifies the approximate amount of the commitment. A letter of commitment from the agency or organization involved must document funds or resources from a State or federal agency or private organization. The commitment of funds or resources may be made contingent on CDBG funds being awarded for the proposed project.

G. Environmental Checklist

All CDBG Public Facility applicants must provide a completed "Uniform Environmental Checklist," found in the *Uniform Application for Montana Public Facility Projects, Fourth Edition (September, 2003)*.

H. Applications on Behalf of Non-profit and For-profit Organizations

Applicants applying on behalf of non-profit organizations which will operate and own or lease an assisted facility or project and for-profit entities that commit to serving LMI citizens must provide the information required under "Special Requirements for Projects Involving Non-profit or For-profit Organizations," found in **Appendix N**. Applicants should provide thorough responses to the requested information because it will be used as a key element in evaluating applications involving non-profit or for-profit organizations.

I. Acquisition, Demolition and Relocation

The applicant should provide a plan addressing the administrative and technical issues, mechanisms and procedures that will be involved in carrying out any proposed acquisition, demolition, or relocation activities. If proposing acquisition, the applicant must provide documentation that the property can be purchased or leased within six months of the date of tentative grant award.

J. Payment of Hookup Charges and Special Assessments

If a "targeting" approach is taken to benefit only LMI households, such as paying assessments for water or wastewater service for qualified LMI households, applicants must explain their proposed procedures for accomplishing this. The Federal Housing and Community Development Act imposes special requirements on projects which will be financed, in part, by hookup charges or assessments on property, such as through a special improvement district. See *Section B. Special Requirements for Public Facilities Projects* (found at the beginning of this Chapter).

K. Program Income

"Program Income" is any income earned by a grantee from a CDBG supported activity, such as, repayments of principal or interest to a local revolving loan fund program generated by housing rehabilitation activities. These funds are the monies that are received after a project has been completed and closed out and are retained at the local level as authorized by the Montana Department of Commerce.

Any community that has been receiving program income from a previous CDBG project must submit a summary of past program income earnings, activities funded, and other information along with the CDBG grant application (see **Appendix R, Program Income**). Under HUD regulations, communities are also required to submit annual program income reports to MDOC if they have received program income from CDBG-supported activities.

For example, if your local government requested to retain program income received from its CDBG funded housing project after project closeout it would have had to complete a Program Income Plan as part of the required closeout. This Program Income Plan would outline the use of program income received in conjunction with a revolving loan fund for ongoing housing purposes to assist low and moderate income homeowners or renters, and may have included a goal to fund other eligible CDBG activities. If the proposed CDBG project is anticipated to generate future program income, the applicant must include a plan for its future use and propose long-term administrative mechanisms for the oversight of these funds (see **Appendix R** for more discussion regarding CDBG program income requirements).



DIRECTIONS FOR APPLICANTS:

- The MDOC CDBG staff will consider the following ranking issues in scoring applications for this criterion. Applicants should make sure that their narrative response to the ranking criterion thoroughly addresses the questions that are applicable to their proposed CDBG project.
- The applicant should respond "point by point" to the following issues, but to reduce duplication, the applicant may reference other sections of the application where the issue has already been addressed.
- In addition to providing a reference, you should include a statement that summarizes the relationship of what is being referenced to the particular ranking issue or special requirement. For example, state "See page 20, paragraph a. of the Uniform Application which provides a detailed description of alternatives considered" as a response to a ranking criterion or special requirement.

- This ranking criterion will also be scored based upon the information contained in the applicant's:
 - **Uniform Application for Montana Public Facility Projects, Fourth Edition (September, 2003)** including the **Preliminary Engineering Report (PER)** for drinking water, wastewater, storm sewer, or solid waste projects, or from the **Preliminary Architectural Report (PAR)** for other public facilities projects involving new construction or rehabilitation of existing buildings. Applicants should reference pertinent sections of the Uniform Application and the PER/PAR in their narrative responses; and
 - if applicable, from the information provided in response to the "Special Requirements for Projects Involving Nonprofit or For-Profit Organizations," found in **Appendix N**.

In addition, for ease of reference, applicants should provide any appropriate documentation or pertinent exhibits immediately following their responses to the APPLICATION RANKING ISSUES, rather than appending them to the end of the overall application.

APPLICATION RANKING ISSUES

A. Project Management Plan and Implementation Schedule

1. Would the applicant's management plan assure proper management of the CDBG project, including cost-effective financial management of grant funds, compliance with State and federal requirements, and timely completion of project activities?
2. Has the applicant specifically identified the person or persons who will be responsible for day-to-day project management and financial management? Did the applicant thoroughly describe any contracted services necessary to carry out the project?
3. Has the applicant secured firm commitments for assistance from other local, state or federal funding sources?
4. In cases where more than a single funding source or organization would be involved in the project, did the applicant thoroughly describe how these will be coordinated and directed?
5. Would the applicant be able to meet all CDBG project start-up requirements by July 2006 and be able to undertake and complete the proposed project by April 2008?
6. Has the applicant thoroughly considered the administrative and technical issues involved in the proposed public facilities project and developed appropriate responses for them?
7. Does the proposed project appear feasible and achievable, taking into consideration the nature of the project activities, the size and resources of the community, the budget, and implementation schedule proposed?

B. Proposed Project Budget and Budget Narrative

1. Are all of the applicant's proposed activity budget line items thoroughly justified, reasonable and well supported? *Non-profit and for-profit organizations may reference their responses to Appendix N, as applicable.*
2. Are the proposed administrative costs reasonable, appropriate and well justified?

C. Impacts or Benefit to Low and Moderate Income Persons

1. Has the applicant thoroughly documented proposed claims of benefit to low and moderate income persons?
2. Has the applicant adequately considered any potential negative financial impacts upon low and moderate income households as a result of project activities (for example, requiring low income households to pay water service line connection costs)? Are the potential impacts thoroughly discussed and appropriate, mitigating measures proposed?
3. Has the applicant proposed an administratively sound, cost-effective means of minimizing any adverse financial impacts or maximizing benefits for LMI residents and for community residents overall, such as "targeting" financial assistance to LMI households, or establishing a metered water system to allocate costs based on use?
4. In cases where direct financial assistance to low and moderate income persons is proposed (i.e., payment of assessments, hookup fees, service connections, or water meter installation charges for low and moderate income households) has the applicant proposed:
 - a. Sound and cost-effective targeting procedures that are appropriate and feasible given the administrative resources of the applicant?
 - b. Reasonable assurance that the targeting of assistance can be completed within the implementation schedule for the project?

If your community is proposing to "target" CDBG assistance to LMI households, you should thoroughly describe the methods and procedures that will be used to calculate the costs of assessments, hookup fees, service lines, or water meter installation, and describe the method that will be used to identify and financially assist LMI persons who will receive such financial assistance.

D. Environmental Checklist

1. Has the applicant done a thorough job of completing the environmental checklist, including documenting direct contact with appropriate state or federal agencies?
2. Has the applicant provided thorough and credible responses, and supplied specific sources of information for the environmental checklist topic areas?
3. Has the applicant demonstrated that the project will avoid adverse impacts on the environment, including potential historic resources? Conversely, does the applicant describe efforts to avoid adverse environmental impacts on the project including proximity

to flood plains, hazardous facilities or sites, or incompatible land uses? (See *environmental checklist*.)

4. If any concerns or adverse impacts have been identified, has the applicant provided appropriate responses to mitigate them?
5. Has the applicant explained how the analysis of potential environmental concerns (such as lead-based paint, asbestos, and historic preservation architectural requirements) has been closely coordinated with the project design, cost, and consideration of alternatives?
6. Has the applicant adequately anticipated and thoroughly addressed all potential environmental, community planning, and regulatory constraints (such as consistency with local growth policy, zoning ordinances, building codes, state agency administrative orders, etc.)?

E. Long-term Management

1. FOR ALL PUBLIC FACILITY PROJECTS:

- a. Has the applicant thoroughly explained plans for assuring adequate, long-term management and operation and maintenance of the facility or system?
- b. Has the applicant demonstrated that there will be sufficient staff and financial resources to operate the facility or system over the long-term after project completion?
- c. Has the applicant adequately explained all projected costs for the future operation of the facility or system?

2. FOR NON-PROFIT ORGANIZATIONS:

(The applicant may reference sections in its response to the Uniform Application form or Appendix N, as applicable.)

Where facilities or activities are proposed that will remain the responsibility of a non-profit entity:

- a. Has the applicant demonstrated the successful past long-term performance of the organization?
- b. Has the applicant thoroughly documented that the organization has the financial and management capacity to assure cost-effective, long-term management of the facility?
- c. Has the applicant demonstrated that the organization will have adequate resources to assure long-term operation and maintenance?

F. Acquisition, Demolition and Displacement

1. If the project will involve acquisition of property or easements, has the applicant taken initial steps to contact landowners to gain their cooperation?

2. Will the project involve displacement of individuals? If displacement will be involved, does the applicant have adequate plans to address any displacement that may result from the proposed activities?

G. Procurement

If professional services will be necessary for implementation or management of the CDBG project, would the applicant assure free and open competition in the procurement of those services through the use of requests for proposals?

If procurement has already taken place, did the applicant provide documentation, such as a copy of the Request for Proposal (RFP), publication notice, description of the selection process, and selection criteria used?

H. Program Income

1. If the applicant has received program income, has it documented past program income expenditures for the last three years, pursuant to MDOC requirements?
2. If the applicant would receive program income in the future, has it developed a plan for future administration and expenditure of the anticipated program income funds?
3. If applicable, has the applicant routinely submitted the required annual program income reports to MDOC in the past?

I. Past and Current CDBG Funded Projects:

1. Did the applicant provide information on the status of any open CDBG projects including closeout reports and project completion?
2. If the applicant has an open project, is it in compliance with the project implementation schedule contained in its CDBG contract with MDOC?
3. For applicants that have previously received a CDBG grant for public facility improvements within the last 5 years, did the applicant adequately perform its project management responsibilities? *(If problems were noted during the administration of the grant, describe whether the problems were remedied or how they will be remedied before administering a new grant.)*
4. Has the applicant satisfactorily addressed any audit or monitoring findings directly related to a previous CDBG grant award within the last ten years?

J. Capital Improvements Plan

CDBG applicants for public facility projects should include in their budget a line item for the cost of preparing an abbreviated five year Capital Improvements Plan (CIP), if they do not already have an adopted CIP at the time of the application. If an applicant does not already have an adopted CIP which meets the minimum requirements as outlined on page 19, one will be required for incorporated cities and towns as part of the contract if CDBG funding is received (counties will be encouraged to prepare a CIP as well). (See Section B, Chapter V, Special Requirements for Public Facilities Projects, for additional information regarding the CDBG CIP requirement.)

K. Other Information

Did the applicant provide any other pertinent information that could improve the application's score for this ranking criterion?

SCORING

Each application will receive points depending upon its overall response to the "Implementation and Management" criterion, in comparison to the other applications submitted:

BEST	5 --	125 points
	4 --	100 points
	3 --	75 points
	2 --	50 points
	1 --	25 points
	0 --	0 points

VI. PROCEDURES FOR GRANT AWARD

A. ANNOUNCEMENT OF RANKING RESULTS AND GRANT AWARDS

As soon as possible after completion of the selection of applicants to receive grant awards, the Director of the Montana Department of Commerce will notify all applicants of the final results in writing. A summary of the final ranking results will be provided to each applicant. As soon as possible, following public announcement of tentative grant awards, a written evaluation of the grant application's response to the ranking criteria will be transmitted to the applicant.

Funds are tentatively allocated to the selected applications. CDBG funds are awarded and received according to a two-step process. In the first step, applicants are evaluated and successful grantees are notified of tentative grant award before CDBG funds are actually received from the U.S. Department of Housing and Urban Development (HUD). Later, as the second step, successful grantees will receive a notice of funding confirmation from MDOC after HUD releases Congressionally approved CDBG funds to the state. This action occurs in April of each year.

The tentative allocation of funds does not imply approval of all the activities or the budget proposed in the selected application. The proposed project activities and budget may be subject to modification during subsequent contract negotiations between the applicant and MDOC. The formal award of funds is also contingent upon the execution of a contract between the applicant and MDOC in accordance with all applicable federal and State requirements.

B. RE-RANKING OF APPLICATIONS

Re-ranking may be considered if an applicant tentatively selected to receive CDBG funds is unable to substantiate information contained in the application which may have been a determining factor in the ranking score received, or if an applicant requests modification of any activities proposed in the original application. (See procedures under Section K, "Grant Amendment" in Chapter VII of these guidelines.)

C. APPLICATION REVIEW

MDOC CDBG staff will review applications with applicants on request to discuss the evaluation and ranking of their applications. A file will be maintained for each application, including the written evaluation by the staff that reviewed the application. After grant awards have been announced, the ranking evaluation will be available upon request.

D. APPLICANT APPEAL

Appeals will be granted only on the basis of miscalculation of the arithmetic scores. In the event that MDOC determines that a miscalculation of scores has occurred and has resulted in an application not being selected for funding that otherwise would have been selected, MDOC will reserve funds from the fiscal year 2007 CDBG State allocation sufficient to fund that 2006 application (as would funds from the fiscal year 2008 CDBG State allocation be reserved for a 2007 application that was not granted funding due to a miscalculation of scores). Those funds will be made available as soon as is practicable. If any other applicant tentatively selected for fiscal year 2006 funding is unable to fulfill the conditions required to secure a final commitment of funds, the tentative grant commitment to that applicant will be withdrawn and made available to that 2006 applicant erroneously scored (likewise for a 2007 applicant tentatively selected that is unable to fulfill required conditions to secure a final commitment of funds, then the grant commitment would be withdrawn and made available to that 2007 applicant erroneously scored). The reservation of the 2007 CDBG funds would then be adjusted or canceled, as appropriate.

VII. PROJECT START- UP AND MANAGEMENT

A. AMOUNT OF GRANT AWARD

While grant ceilings establish the maximum amounts that may be requested, individual grants will be awarded only in amounts appropriate to the scope of the identified problem, the proposed project activities, and the needs, resources and administrative capacity of the applicant. Tentative amounts greater or less than the amount originally requested may be awarded, at the discretion of MDOC.

MDOC will not grant additional funds to pay for project costs that exceed the contract grant award. In the event a project can be completed for less than the grant amount, the difference between actual project costs and the original grant award will be reallocated by MDOC for unfunded or inadequately funded projects or added to the following fiscal year's CDBG allocation for grant awards.

In certain circumstances excess funds may be used for an eligible activity that further enhances the contracted project. Before MDOC makes a determination to allow the additional activity, the grantee must demonstrate that the activity will clearly enhance the overall impact of the original project, provide adequate benefits to low and moderate income persons, be completed in a timely manner, and be able to be completed with the excess funds. The grantee must have also demonstrated satisfactory progress toward completion of the original contracted project activities.

B. PROJECT START-UP REQUIREMENTS

Within four months of the date of the announcement of the tentative grant award by the Montana MDOC, each applicant selected for CDBG funding must execute a grant contract with MDOC. By July, 2006, each applicant selected for CDBG funding must:

1. Comply with all applicable State and federal requirements for project start-up.
2. Establish with MDOC a mechanism for transfer of CDBG funds to the grantee.
3. Conduct a formal review of potential environmental impacts.
4. Submit an acceptable management plan and schedule for local CDBG project administration and implementation.
5. Fulfill other appropriate contract terms established by MDOC.

If an applicant that has been tentatively selected for grant award is unable to comply with these requirements for project start-up and cannot demonstrate the existence of unusual or extenuating circumstances that would justify an extension of time, the tentative award will be withdrawn and the funds reallocated. In any case where CDBG funds must be re-allocated, the applicant would be encouraged to re-apply for the next grant competition.

No applicant who has been tentatively selected for CDBG funding may obligate or incur costs for CDBG funds until specifically authorized in writing by MDOC. Funds obligated or expenses incurred without proper authorization will be the responsibility of the grantee and cannot be reimbursed by CDBG funds at a later date. Incurring costs includes

actions such as hiring staff or entering into a contract for engineering or management services or for acquisition of land.

C. GRANT CONTRACT

After an application is tentatively selected for funding, a grant contract will be prepared. The grant contract is the legal document that governs the administration of the grant and includes the following items:

1. The amount of CDBG funds to be provided.
2. A detailed budget for the CDBG funds and any other funds involved in the project.
3. The schedule for implementation of project activities and the scope of work to be completed.
4. The general and special terms and conditions associated with the grant.

The application as approved and the representations included in it will become part of the grant contract. No CDBG funds will be released to the grantee until a grant contract is fully executed and all project start-up requirements are fulfilled.

D. COMPLIANCE WITH STATE AND FEDERAL REQUIREMENTS

It is the responsibility of all CDBG grantees to comply with all applicable federal and State laws, executive orders, and regulations affecting their projects. MDOC will conduct a project administration workshop to familiarize local officials of the recipient communities with these requirements. Participation is mandatory. A copy of the most current version of the CDBG Grant Administration Manual is available at the following website:

http://commerce.state.mt.us/CDD_CDBG_GA.asp

In addition to environmental, procurement, and labor requirements, CDBG grantees should keep in mind that federal civil rights requirements will apply to their projects. CDBG funded projects must be designed to ensure equal opportunity and access to all benefits associated with the funded housing or public facility activity. The grantee must design its program in compliance with federal and state civil rights requirements in five general areas:

1. **Program Benefit:** CDBG recipients must use administrative methods designed to ensure nondiscrimination in project activities.
2. **Grantee Employment:** Employment procedures in relation to project activities must comply with the CDBG recipient's affirmative action plan to extend employment opportunities to minorities and women.
3. **Contractor Affirmative Action:** Employment by contractors and subcontractors must include affirmative actions taken to employ minorities and women.
4. **Fair Housing:** Project activities must be administered to affirmatively further housing availability and to prevent discrimination in federally assisted housing.

5. ***Accessibility for the Disabled:*** All programs and activities assisted through CDBG in the project must be accessible to disabled persons.

E. COMMITMENT OF NON-CDBG RESOURCES

Grantees must have completed, by July, 2006, all necessary arrangements to assure that those resources are available for commitment to and participation in the project in order to guarantee timely project completion. Unless the tentative grantee can demonstrate the existence of unusual or extenuating circumstances that would justify an extension of time, the tentative award will be withdrawn and the funds reallocated. MDOC encourages applicants to secure firm commitments from all non-CDBG funding sources prior to submission of their CDBG application.

No CDBG funds will be released to the grantee until firm commitments are available for all non-CDBG resources to be involved in a project. No CDBG funds, other than for administrative purposes, may be obligated or incurred until this condition is released by MDOC. Reimbursement of any incurred costs is contingent upon funding approval by Congress and conformance with all CDBG project start-up requirements.

F. PROJECT MONITORING

During the course of the local CDBG project, MDOC will monitor each grantee through periodic on-site visits and required written progress reports, so that any problems that might occur may be resolved as soon as possible. It is MDOC's goal to assist and support grantees in complying with applicable State and federal requirements and in implementing their project activities.

Grantees will be required to maintain complete financial and project files, and to comply with CDBG program reporting requirements. Representatives of MDOC must be provided reasonable access to all books, accounts, records, reports and files pertaining to CDBG funded activities. Grantees must also provide citizens with reasonable access to records regarding the use of CDBG funds.

G. TIMELY PROJECT COMPLETION

The grant requested, either by itself or in combination with other previously identified funding sources, must be sufficient to complete the proposed activities within the contract period. The contract period would call for completion of the project by April 2008.

MDOC reserves the right to withdraw a commitment for any CDBG funds which remain unobligated 24 months after the date of the announcement of the tentative grant award.

H. DISPLACEMENT

The federal Housing and Community Development Act requires each State to minimize the displacement of persons that may occur as a result of activities assisted with CDBG funds. HUD regulations require that if any CDBG activity could result in displacement, the grantee must adopt a plan for minimizing displacement of persons and mitigating any adverse effects of displacement on low and moderate-income persons. CDBG grantees must provide reasonable benefits and relocation assistance to any person involuntarily and permanently displaced as a result of the use of CDBG funds to acquire or substantially rehabilitate property, including businesses. In addition, HUD requires that grantees provide reasonable benefits to persons

displaced as a result of the use of CDBG funds in cases that are not governed by the Uniform Relocation Act.

The Act also requires the MDOC "to adopt a residential anti-displacement and relocation assistance plan." In order to receive CDBG funds, grant recipients must certify that they are following the plan. This certification is included in the Certifications for Application that each applicant must sign and submit with the CDBG application. Montana's Anti-displacement and Relocation Assistance Plan is available upon request from MDOC. Communities planning CDBG projects that may involve displacement of local residents or businesses should contact MDOC for guidance on the federal requirements that will apply.

I. ACQUISITION

Federal requirements specify that local governments proposing the public acquisition of real estate or easements as part of a CDBG funded project must formally notify the effected property owner(s), prepare an appraisal to determine fair market value, have the appraisal reviewed, and make a written offer to purchase based upon an amount determined to be "fair market value". As an alternative, "voluntary" acquisition procedures containing fewer steps can be undertaken if the local government agrees to waive its right of eminent domain in the event negotiations fail to result in a mutually acceptable agreement. Local governments having any questions regarding acquisition of real estate should contact MDOC for further guidance.

J. PROGRAM INCOME FROM HOUSING AND NEIGHBORHOOD RENEWAL AND PUBLIC FACILITY PROJECTS

"Program income" is any income earned by either a recipient or sub-recipient from CDBG supported activities such as repayments of principal and interest from loans for housing rehabilitation and, if authorized by MDOC may be retained at the local level to be used for community development activities eligible under the CDBG Program. An applicant requesting to retain program income from housing projects must submit, with its application, a plan for the ongoing use and financial administration of any program income. MDOC's decision to permit a grantee to retain program income from a housing project will be determined based upon the adequacy of the proposed plan for the use and administration of program income submitted as part of the grant application.

Federal regulations provide that if program income is earned prior to closeout of a project, it must be added to funds committed to the project and used to support CDBG eligible activities or spent on costs budgeted for CDBG funds before the grantee can request an additional drawdown of funds from its CDBG project account. The receipt and expenditure of program income must be recorded as part of the financial transactions of the CDBG Program. Program income funds received before grant closeout must further be treated as additional CDBG funds subject to all applicable requirements governing the use of CDBG funds.

To address federal program income requirements, MDOC has established guidelines for local government grantees that retain and use program income. The guidelines, entitled *CDBG Program Income and Revolving Loan Fund Manual*, focus on state oversight and local government management and accountability for program income and revolving loans, including submittal of an annual report. The manual is available from MDOC CDBG staff.

K. CONTRACT AMENDMENTS

All grantees must request prior approval of contract amendments such as those involving new activities or alteration of the existing activities or budget or lengthening of the schedule for project implementation, as proposed in the grant application and/or negotiated in the grant contract. Before MDOC makes a determination to allow the amendment, the grantee must clearly demonstrate that the modification is justified and will enhance the overall impact of the original project. MDOC will consider each request to determine whether the modification is substantial enough to necessitate reevaluating the project's original ranking. If warranted MDOC will analyze the proposed modification and its impact on the scores originally assigned the application.

If re-ranked, in order to be approved, the proposed amendment must rank equal to or greater than the lowest numerical score received by a funded project.

MDOC will require that a public hearing with reasonable notice be conducted by the grantee if the proposed amendment is determined to be a substantial change in project activities proposed in the original application for CDBG funds.

Substantial changes in project activities may also obligate the grant recipient to publish legal notices and to conduct additional environmental analysis in order to comply with federal environmental regulations.

MONTANA COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM (CDBG)

**APPLICATION GUIDELINES
FOR PUBLIC FACILITIES PROJECTS
FOR THE MAY, 2005 GRANT
COMPETITION**

MONTANA DEPARTMENT OF COMMERCE

MONTANA COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

APPLICATION GUIDELINES FOR PUBLIC FACILITIES PROJECTS FOR THE MAY, 2005 GRANT COMPETITION

MONTANA DEPARTMENT OF COMMERCE

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February, 2005

**CDBG APPLICATION GUIDELINES
FOR PUBLIC FACILITIES PROJECTS
for the May, 2005 Grant Competition**

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The Montana Department of Commerce does not discriminate on the basis of disability in admission to, access to, or operation of its program, services, or activities. Individuals, who need aids or services for effective communications or other disability-related accommodations in the programs and services offered, are invited to make their needs and preferences known. Please provide as much advance notice as possible for requests.

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APPLICATION INSTRUCTIONS AND FORMAT FOR CDBG PUBLIC FACILITY PROJECTS

A. GENERAL INSTRUCTIONS

1. In order to make the process of applying to infrastructure financing programs simpler and more efficient for communities, various state and federal agencies have worked together to develop common application forms and requirements. The common application form, Preliminary Engineering Report outline, and environmental checklist, can be found in a supplemental publication, the September, 2003, *Uniform Application for Montana Public Facility Projects, Fourth Edition*.

These application materials can be used to apply to CDBG and the Treasure State Endowment program (TSEP) (both administered by MDOC), the Department of Natural Resources and Conservation Renewable Resource Grant and Loan program, the Department of Environmental Quality State Revolving Loan Fund programs (drinking water and wastewater), Montana Board of Investments/INTERCAP program, and the U.S. Department of Agriculture Rural Development program. The uniform application may be obtained from MDOC by request, or downloaded from the Water, Wastewater and Solid Waste Action Coordinating Team (W2ASACT) website at the following address:

<http://www.dnrc.state.mt.us/cardd/wasact.htm>

For public facility projects other than water, wastewater, or solid waste, the requirements for the Preliminary Architectural Report (PAR) outline can be found in the *Preliminary Architectural Report for New Construction or Rehabilitation of Existing Buildings (Excluding Single Family Residences)*. This PAR outline is found in *Appendix S*, or can be downloaded from the CDBG website at the following address:

http://commerce.state.mt.us/CDD_CDBG_PF.asp

CDBG applicants must follow the application format prescribed by these CDBG guidelines and must submit all the CDBG application information as requested in the following documents:

- (a) the *Uniform Application for Montana Public Facility Projects, Fourth Edition*,
- (b) the *CDBG Application Guidelines for Public Facilities Projects for the May, 2005 Grant Competition*; and
- (c) **EITHER:**
 - i. a ***Preliminary Engineering Report (PER)*** -- as described on pages 51-62 of the *Uniform Application for Montana Public Facility Projects, Fourth Edition* -- **for water, wastewater or solid waste projects**; **OR**
 - ii. a ***Preliminary Architectural Report (PAR)*** for New Construction or Rehabilitation of Existing Buildings (Excluding Single Family Residences) -- as described in *Appendix S* -- for projects **other than**

water, wastewater, or solid waste.

4. CDBG applicants must provide narrative responding to each of the CDBG ranking criteria and requirements (as given in Chapter V of these application guidelines).

DIRECTIONS FOR APPLICANTS:

- The MDOC CDBG staff will consider each of the APPLICATION RANKING ISSUES (these are listed in Chapter V for each ranking criterion) in scoring applications. Applicants should make sure that their narrative response to each ranking criterion thoroughly addresses the questions that are applicable to their proposed CDBG project.
- The applicant can either respond “point by point” to the application ranking issues, or to reduce duplication, can provide a consolidated, overall response to the ranking criterion or may reference other sections of the application where the issue has already been addressed.
- In addition to providing a reference, you should include a statement that describes the relationship of what is being referenced to the ranking issue or special requirement. For example, you could state, “*See page 20, paragraph a. of the Uniform Application for a discussion of alternatives*” as a response to a ranking criterion or special requirement.
- In addition, for ease of reference, applicants should provide any appropriate documentation or pertinent exhibits immediately following their responses to the APPLICATION RANKING ISSUES, rather than appending them to the end of the overall application. Appropriate exhibits for this ranking criteria would include minutes of hearings, attendance sign-up sheets, newspaper clippings, newsletters, special bulletins, flyers etc., regarding the needs assessment process, public hearings and any other related public meetings.

4. In order to simplify the preparation of CDBG applications, the CDBG application materials are available on computer disk. The CDBG application materials are formatted in Microsoft Word for Windows.
5. Applications should be as concise as possible. Any exhibits provided by the applicants should directly relate to the application narrative or requirements.
6. Applications should be submitted on standard 8 ½ x 11-inch paper, with maps and large sheets folded to an 8 ½ x 11-inch size.
7. Pages should be numbered consecutively.
8. Exhibits relating to the ranking criteria should be placed in the application at the end of the narrative response to each criterion. For example, after the narrative response for *Ranking Criterion 1. Community Planning and Citizen Participation*, exhibits would include items such as newspaper clippings, notices of public hearings, attendance lists, and meeting minutes or summaries. Other general supporting documents should be placed in an appendix at the end of the application. General supporting documents include items such as maps, the Resolution to Authorize Application, or the Certifications for Application. Supporting documentation should be listed in the Table of Contents.
9. **Each applicant should identify the source of supporting data. For example:** if local research was conducted to support the application, such as a needs assessment survey or an income survey, the survey methodology must be described and a copy of the survey form with a composite summary of all responses submitted with the application.

10. All original documentation must be retained by the applicant and made available for review in the event that the application is tentatively selected for funding. The lack of adequate documentation to substantiate representations made in the application will be considered sufficient grounds for the Department to re-rank an application, and, if necessary, to withdraw a tentative grant award.
11. Applications should be bound along the left-hand margin. Tabs on the right side of the applications should be used to mark sections.
12. Applicants should review the guidance contained in "Suggestions for Writing Successful CDBG Applications" found in *Appendix E*.

B. APPLICATION FORMAT REQUIREMENTS

1. **The CDBG application should be organized according to the following outline and sequence:**
 - a. Table of Contents
 - b. Checklists for General Requirements and Special Requirements. (See Appendices F and G of these guidelines.)
 - c. Uniform Application Form (i.e., the *Uniform Application for Montana Public Facility Projects, Fourth Edition*)
 - d. Applicant's Narrative Responses to The Applicable Requirements And Application Ranking Issues for Each of The 7 CDBG Ranking Criteria (as presented in Chapter V) **AND Exhibits Related to Each Ranking Criterion**. (Any documentation or exhibits related to your responses to a given ranking criterion should be placed in the application immediately following your narrative responses to that criterion.)
 - e. Appendices (See section E of this appendix.)
2. **Applicants must complete the *Uniform Application for Montana Public Facility Projects*.**
 - a. Each applicant must provide a completed copy of the *Uniform Application for Montana Public Facility Projects, Fourth Edition* in their CDBG application. It is important to carefully complete the Uniform Application and **to pay particular to the Financial Information section (Section C)**. This is because the information applicants provided in Section C of the Uniform Application form will be used to evaluate the financial need of the applicant. Section C's information will also be used in the financial analysis that is used in making a recommendation for the amount of funds, if any, to be awarded to each applicant.
 - b. **Applicants applying for public facility projects other than water, wastewater or solid waste projects** must complete **only** Sections A, B, and C (pages 37-42) of the *Uniform Application for Montana Public Facility Projects*. **In addition**, these applicants must complete the *Preliminary Architectural Report (PAR) for New Construction or Rehabilitation of Existing Buildings (Appendix S)* and/or the *Preliminary Engineering Report (PER)* as applicable.

- c. As stated above, Applicants should pay particular attention to careful completion of Section C (Financial Information of the Uniform Application. In addition to the instructions given in the Uniform Application (see pages 18-27), CDBG offers the following guidance:

Completion of Section C – 2. Proposed Funding Sources

CDBG applicants must request a specific amount of CDBG financial assistance. Applicants should request only the minimum amount of CDBG funding necessary to complete the proposed project, in combination with funds from other sources. List loans and grants from the same funding source separately. Refer to the instructions on pages 18 and 19 and the example on page 20 of the Uniform Public Facility Application.

Completion of Section C – 3. Funding Strategy Narrative

Applicants for CDBG grant assistance must provide evidence and documentation for the claim that the proposed infrastructure project cannot reasonably be accomplished without a CDBG grant and that other private or public (e.g., local, state, or federal) resources are insufficient or unavailable to finance the proposed project at a reasonably affordable cost.

The applicant should describe the availability or commitment of all other resources that are to be used to fund the proposed CDBG project. The degree to which non-CDBG resources are committed to the project may affect the number of points received in the scoring of the proposed project.

The narrative should address and discuss all relevant and possible funding sources. If a possible funding source was deemed inappropriate or not available, this should be explained. The applicant should describe contingent funding scenarios in the event that proposed funding sources, such as competitive grants, are not awarded.

In documenting a public sector funding resource, the funding agency should verify the applicant's eligibility for the funds and describe the likelihood of receiving funding. Where a local government will provide funds, the commitment should be documented by a formal resolution by the governing body that specifies the approximate amount of the commitment.

In documenting a private sector resource, such as an applicant's proposal to issue municipal revenue bonds, the applicant should provide a letter from a bond counsel describing the applicant's eligibility to use the proposed financial instrument and the reasonable expectation of receiving funding through this means. The applicant should also provide a formal resolution by the governing body that indicates the applicant's intent to issue the bonds.

The amount of CDBG assistance ultimately recommended by staff to the MDOC Director may differ from that originally requested by the applicant based on the review of the application. CDBG staff will not recommend funding for projects which it determines to be financially or technically infeasible or not a cost-effective use of scarce CDBG funds.

Completion of Section C – 4. Project Budget Form

The proposed funding package must be sufficient to complete the proposed activities within a reasonable time period. Projects must be able to be completed within two years of the date of announcement of grant award.

Up to ten percent of a CDBG Public Facilities grant may be used for administrative costs. Administrative expenses must be explained and justified. Some administrative expenses are essentially fixed and are not proportionate to the total cost of a project. Communities considering relatively small requests (under \$100,000) may find that the maximum administrative budget allowed may not be sufficient to cover all administrative costs. A community considering a relatively small grant request should consider whether the proposed project would result in questionably high administrative costs relative to the actual project cost. In these circumstances, applicants are encouraged to contact the CDBG staff to discuss their proposed project prior to submittal of the application.

Under no circumstances are costs that have been incurred prior to the effective date of a CDBG contract (such as fees for preparing community surveys or needs assessments, or the costs associated with construction activities) eligible for reimbursement. However, reasonable expenses associated with attending CDBG project administration training will be eligible for reimbursement, even if incurred prior to the effective date of a contract.

C. APPENDICES

The following must be included as Appendices at the end of the application, if applicable:

- 1. Resolution to Authorize Application --** See **Appendix O** for a copy of a sample Resolution to Authorize Application and instructions.
- 2. Formation of District Documentation --** County water, sewer, and solid waste districts must submit documentation substantiating that the District has been legally created. At a minimum, the District must submit a copy of the county resolution creating the District and a certificate of incorporation from the Montana Secretary of State.
- 3. Maps --** Each applicant must include a legible map showing the boundaries of the proposed project area and the locations of all proposed project activities, such as land to be acquired or public facilities to be constructed or improved. (See **Appendix P** for a discussion of the Map requirements.)
- 4. Certifications for Application --** The major federal requirements that apply to CDBG projects are set out in the CDBG Certifications for Application found in **Appendix Q**.
- 5. Applications for Assistance to Nonprofit or For-Profit Entities Requirement (if applicable) --** **Appendix N** lists the information required for those public facilities projects which involve non-profit or for-profit entities as subrecipients.
- 6. Program Income Requirements (if applicable) --** See **Appendix R**.

- 7. Other Supporting Documentation Not Related to a Specific Ranking Criterion --**
Each applicant should identify the source of supporting data for any statements made in the application. If local research was conducted to support the application, the survey methodology must be described and a copy of the survey form with a composite summary of all responses submitted with the application. The applicant must retain all original documentation.
-

D. DEADLINE FOR SUBMISSION OF THE APPLICATION AND NUMBER OF COPIES

SEVEN (7) copies of the CDBG application and attachments, plus one copy on computer diskette, are to be delivered or postmarked on or before:

May 27, 2005 (for FFY 2006 CDBG funds grant competition).

Copies of applications for CDBG funding and all attachments must be submitted to:

**Community Development Block Grant Program
Community Development Division
Montana Department of Commerce
301 South Park Ave.
PO Box 200523
Helena, MT 59620-0523**

APPENDIX E

SUGGESTIONS FOR WRITING SUCCESSFUL CDBG APPLICATIONS

1. **Approach the Application Guidelines methodically, step-by-step.** Use the guidelines like a checklist. Be sure to complete each requirement, and answer all parts of each ranking criterion, address all applicable ranking issues in each criterion. If you are sure that a requirement, criterion, or application ranking issue does not apply to your project, be sure to respond to each with "N/A" (not applicable).
2. **Understand the requirements.** Montana's CDBG Application Guidelines try to clearly explain the basic requirements of the program and the ranking criteria that will be used to score your application. Thoroughly respond to each of the applicable ranking issues listed under the ranking criteria (those are the same ones the MDOC application ranking teams will be comparing your application against.) **If you have any questions or anything is unclear to you, call the Department of Commerce CDBG staff. Don't wait until the last minute if you have any questions about the Application Guidelines.**
3. **Form a Steering Committee or Task Force.** While it usually works best to have one person responsible for writing and assembling the application, preparation of a competitive CDBG application is often not a one-person job. After you have determined which requirements will apply, break the tasks into individual assignments. Put together a calendar to make sure you have the time to get all the required tasks done and schedule completion dates for each.
4. **If you were an unsuccessful applicant previously, make arrangements with Department of Commerce CDBG staff to review the ranking comments for your previous application.** Find out what areas might be improved. What were the differences in the successful applications that caused them to be ranked higher? (You can also borrow copies of successful applications for similar projects to get ideas on how to prepare a stronger application.) Even if your application received a maximum score on a particular criterion, review your response to see if it can be strengthened further. Because the application ranking process is based on a comparison of those submitted, there is no guarantee that your application will receive the same score that it did the previous year.
5. **Take a holistic approach to describing your project.** Several of the CDBG ranking criteria consider interrelated issues. The strongest applications often approach each of the ranking criteria as components of a coordinated, overall strategy rather than as separate and distinct responses to stand alone issues. Keep all the ranking criteria in mind at each stage in preparing the overall application narrative. A key concept, such as public involvement or your community's long-term approach to planning and managing public facilities, can

be integrated throughout the application. This can actually help make the narrative shorter, too. If the narrative response to a CDBG ranking criterion flows from the previous discussion, you won't have to repeat key information; just tell the reviewer where the issue has already been covered.

6. **Be concise and well organized.** Excessively lengthy applications can hurt because it makes it more difficult for the reviewer to follow the key points you are trying to make if they are buried in a lot of paper. Make sure that any exhibits you include really support your proposal and are not just filler. The Department of Commerce has a goal of funding good projects, not just good applications. A succinct, well organized application with a logical progression of ideas and clearly labeled and easy to locate exhibits makes it easier to understand the case you are making for your community. Please follow the suggested application format presented in Appendix D, Section B, and use the checklists that are provided (checklists for General and Special Requirements).
7. **Be complete.** Don't assume that the people who will review your application know your community or your situation. The ranking teams will be composed of Department of Commerce staff that may not be familiar with your community or the details of your situation. Describe the circumstances clearly and thoroughly. Your application must speak for itself and anticipate all the likely questions that might be asked. You can accomplish this while still providing a simple and straightforward narrative that avoids unnecessary repetition.
8. **Arrange for impartial review of the draft application.** A preliminary draft of the application should be reviewed by others (not CDBG staff) who are not closely involved with the application. They can serve as editors and raise questions or spot gaps or inconsistencies in your arguments that you may not be able to see because you are too close to the project to be aware of them. Have your reviewer(s) check your final draft and make sure that all your attachments are there before you send it to CDBG. Getting others involved can bring in a fresh perspective that may question some of your assumptions or see weaknesses that you cannot.
9. **Document community support.** The CDBG program encourages public involvement in both the preparation of and implementation of local CDBG projects. The support of residents and others in the surrounding community is critical, not only to your grant application, but also to your project's success. You can strengthen your application with statements that not only show general community support for your project, but, if appropriate, you can offer local resources to help make the project a success (for example, contribution of in-kind services, funds, or volunteer efforts).

APPENDIX F

CHECKLIST OF GENERAL REQUIREMENTS AND RANKING CRITERIA FOR CDBG APPLICATIONS FOR PUBLIC FACILITIES PROJECTS

The following is a checklist for CDBG applicants for public facilities projects to make sure that all of the applicable general requirements have been addressed. (It is not intended as an outline for the organization of the content of the application -- see the CDBG Application Instructions and Format in Appendix D.) Whenever possible, applicants should address the general requirements in their response to an appropriate ranking criterion to avoid unnecessary duplication.

The left-hand column on the form below must be filled out, as applicable, by local government grant applicants. Applicants must cite the page reference in their application where the General Requirements are addressed. (See Appendix G concerning the Special Requirements.) The right-hand columns inform applicants where the General Requirements and Special Requirements are addressed in the Public Facilities Application Guidelines (and Appendices) and in the Uniform Application for Montana Public Facility Projects, Fourth Edition.

<u>Cite Page Reference in the application</u> -- or indicate that the requirement is <u>Not Applicable (NA)</u>	<u>GENERAL REQUIREMENTS</u>	Page Reference in <u>CDBG Public Facility Application Guidelines and Appendices</u>	Page Reference in <u>Uniform Application for Montana Public Facility Projects, Fourth Edition</u>
	Completion of the <u>Uniform Application for Montana Public Facility Projects</u>	Introduction (page i), Appendix D (D-1, D-3)	See Uniform Application instructions (1-2, 17-36)
	Project Objectives: Show that the project is consistent with CDBG's primary objective.	2, Appendix B	
	Project Objectives: Describe one national objective and one state objective most appropriate and pertinent to the project.	2, Appendices B and C	
No Response Required	Project Categories	2-4, 14	
	Eligible Activities	4	
No Response Required	Application Deadlines	4-5	
No Response Required	Grant ceilings	5	
No Response Required	Distribution of Funds	5 -7	
No Response Required	Eligible Applicants	10	

<u>Cite Page Reference in the application</u> -- or indicate that the requirement is <u>Not Applicable (NA)</u>	<u>GENERAL REQUIREMENTS</u>	<u>Page Reference in CDBG Public Facility Application Guidelines and Appendices</u>	<u>Page Reference in Uniform Application for Montana Public Facility Projects, Fourth Edition</u>
	Applications involving Non-profit or For-profit Entities	20, Appendix N	37-42, 49
	Number of Applications Permitted per Applicant	12	
	Re-application	12	
	Number of Grant Awards Permitted per Jurisdiction	13	
	Budget: Budget Form, Funding Strategy Narrative and Justification	76, Appendix D (D-4, D-5)	22-27, 40, 52-53, 59, 61, 62
	Project Management Plan and Implementation Schedule	79, Appendix M	
	Resolution to Authorize Application	Appendix O	
	Maps and Site Location Description	Appendix P	52-53, 54, 60
	Certifications for Application	Appendix Q	
	Program Income	82, Appendix R	
	Environmental Impact (Addressing Environmental Issues and Completing the Uniform Environmental Checklist)	52 – 53, 80	52-55, 61, 63-67, 69-73
	Displacement	87	
	Acquisition	88	
	Preliminary Engineering Report (PER)	36, 43	51-62
	Preliminary Architectural Report (PAR)	37,44	
	Capital Improvements Plan	17	
	Target Rate Analysis	64, Appendix I	
	Coordination with TSEP (Treasure State Endowment Program)	18	
	Procurement	82	

APPENDIX G

CHECKLIST OF SPECIAL REQUIREMENTS AND RANKING CRITERIA FOR CDBG PUBLIC FACILITIES PROJECTS

The following is a checklist for CDBG applicants for public facilities projects to make sure that all of the applicable special requirements have been addressed. **The left-hand column on the form below must be filled out, as applicable, by local government grant applicants. Applicants must cite the page reference in their application where the Special Requirements are addressed. (See Appendix F concerning the General Requirements.)** The right-hand columns inform applicants where the Special Requirements are addressed in the Public Facilities Application Guidelines (and Appendices) and in the Uniform Application for Montana Public Facility Projects, Fourth Edition.

<u>Cite Page Reference in the application</u> -- or indicate that the requirement is <u>Not Applicable (NA)</u>	<u>SPECIAL REQUIREMENTS FOR PUBLIC FACILITIES PROJECTS</u> <i>(Chapter V, Section B, page 18 and following)</i>	Page Reference in CDBG Public Facility Application Guidelines and Appendices and Uniform Application for Public Facilities
	1. Capital Improvements Plan	17
	2. Coordination with TSEP (Treasure State Endowment Program) – if an applicant is seeking CDBG FFY 2005 funds as well as TSEP 2005 funds for the same project	18
	3. Payment of Hookup Charges and Special Assessments	19
	4. Projects Involving Non-profit or For-profit Entities	20, Appendix N
<u>Cite Page Reference in the application</u>	<u>CDBG RANKING CRITERIA 1-7 AND THEIR REQUIREMENTS</u> <i>(Chapter V, Section C, page 23 and following)</i>	Page Reference in CDBG Public Facility Application Guidelines and Appendices and Uniform Application for Public Facilities
	<u>Ranking Criterion 1:</u> COMMUNITY PLANNING AND CITIZEN PARTICIPATION	25
	Community Planning and Needs Assessment Process	25
	Citizen Participation	28, Appendix Q (Q-14 through Q-18)
	National and State CDBG Objectives	35, Appendices B and C

<u>Cite Page Reference in the application</u>		<u>Page Reference in CDBG Public Facility Application Guidelines and Appendices and Uniform Application for Public Facilities</u>
	<u>Ranking Criterion 2:</u> NEED FOR PROJECT	36
	Uniform Application For Montana Public Facilities Projects (Fourth Edition)	Introduction (page i), 36
	Preliminary Engineering Report (PER) or Water, Wastewater, Storm Water, and Solid Waste Projects	36 (and Uniform Application, 51-62)
	Preliminary Architectural Report (PAR) for New Construction or Rehabilitation of Existing Buildings	37, Appendix S
	<u>Ranking Criterion 3:</u> PROJECT CONCEPT AND TECHNICAL DESIGN	43
	<i>For Water, Wastewater, Storm Sewer or Solid Waste Projects:</i>	
	Uniform Application For Montana Public Facilities Projects (Fourth Edition)	Introduction (page i), 43
	Preliminary Engineering Report (PER) for Water, Wastewater, Storm Water, and Solid Waste Projects	43 (and Uniform Application, 51-62)
	Water Meters	43
	<i>For Other Public Facility Projects:</i>	49
	Special Design Considerations	44, Appendix S, Appendix I (Housing Guidelines)
	New Construction of Buildings	45, Appendix S
	Rehabilitation of Buildings	44, Appendix S
	Applications Submitted On Behalf of Sub-recipient Entities -- Non-profit or For-profit	20, Appendix N

<u>Cite Page Reference in the application</u>		<u>Page Reference in CDBG Public Facility Application Guidelines and Appendices and Uniform Application for Public Facilities</u>
	<u>Ranking Criterion 4:</u> COMMUNITY EFFORTS	56
	Description of past local efforts to resolve the public facilities problem with local resources and non-financial community efforts -- in addition to the financial information given in Section C of the Uniform Application for Montana Public Facilities Projects	57
	Local Government Resolution committing local public funds or resources to the proposed project	Appendix O
	Capital Improvements Plan	57
	<u>Ranking Criterion 5:</u> NEED FOR FINANCIAL ASSISTANCE	59
	Local Match Requirement (or waiver request and hardship documentation)	59
	Description of Local Contributions	60
	Limitation on funds per LMI Household	61
	Target Rate Analysis (for Water, Wastewater, Storm Sewer and Solid Waste Projects)	64, Uniform Application for Montana Public Facilities Projects (40)
	Gap Analysis (for Other Projects such as Senior Centers, Nursing Homes, Fire Halls, including applications submitted on behalf of non-profit or for-profit sub-recipient entities): ... Provide detailed information on the entity's budget and manner of operation; and provide a narrative response to applicable ranking issues for Criterion 5 (on page 64 and following) ... Provide the information requested in Appendix N and (as applicable) in the Uniform Application (page 21 and Sections A, B, C, pp. 37- 42)	62, Uniform Application for Montana Public Facilities Projects (21 and 37-42), Appendix N

Cite Page Reference in the application		Page Reference in CDBG Public Facility Application Guidelines and Appendices and Uniform Application for Public Facilities
	<u>Ranking Criterion 6:</u> BENEFIT TO LOW AND MODERATE INCOME	70
	CDBG Benefit to LMI Form ~ Completed, included. ~ Consistent with the LMI narrative and supporting documentation provided.	67-68, 71, Appendix K (Instructions K-1 through K-4; LMI Form: K-5)
	<p>For <u>indirect (area wide) benefit</u> situations: Documentation that the LMI benefit claimed meets CDBG requirements: ___ (1) Document that the area is principally residential ___ (2) Verify LMI with HUD data, <u>or</u> ___ (3) Verify LMI benefit with local LMI survey</p> <p>If local income surveys were conducted: ___ Summary results and a description of the methodology are provided ___ Correct LMI income levels used ___ Copy of the survey results ___ Minimum sample size met ___ Sample was random or included total Population.</p>	71
	<p>For <u>direct financial assistance to LMI</u> or <u>limited clientele benefit</u> situations: Documentation that the LMI benefit claimed meets CDBG requirements: ___ The clientele is presumed to be LMI under HUD regulations, <u>or</u> ___ The applicant will confirm the LMI status of beneficiaries and limit benefits to only LMI persons.</p>	71

<u>Cite Page Reference in the application</u>		<u>Page Reference in CDBG Public Facility Application Guidelines and Appendices and Uniform Application for Public Facilities</u>
	<u>Ranking Criterion 7:</u> IMPLEMENTATION AND MANAGEMENT	75
	Environmental Checklist	77 and the Uniform Application (Section D)
	Financial Management System	75, Appendix Q (Q-10, Q-11)
	Firm Commitment of Funds	77, Appendix O
	Legal Jurisdiction and Authority	75
	Management Capacity	75
	Project Management Plan	76, Appendix M
	Implementation Schedule	76, Appendix M
	Budget and Budget Narrative (explanation and justification for each line item in the budget)	76, 80, Appendix D (D-3 through D-5); and the Uniform Application (page 22 and Section C)
	Explanation and Justification of Percentage of the Proposed Budget To Be Used for Project Administration	76
	Impacts or Benefit to Low and Moderate Income Persons	80
	Long-term Management	81
	Procurement	82, Appendix Q (Q-12, Q-13)
	Acquisition, Demolition, Relocation, and Displacement	81, Appendix Q (Q-2)
	Special Requirements for Projects Involving Non-profit and For-profit Organizations, including: ~ Description of Organization, ~ Bylaws, ~ Description of Services, ~ Description of Non-Profit Management, ~ Biographies of Principals, ~ and items referenced in pages cited (right-hand column)	77 (with references to the Uniform Application, Sections A, B, C) and Appendix N
	Payment of Hookup Charges and Special Assessments	78
	Program Income Plan	78 and Appendix R
	Status of Past and Current CDBG-funded Projects	82

APPENDIX H

SAMPLE FORMATS FOR PUBLIC NOTICES

These can be adapted for counties, cities or towns.

SAMPLE NOTICE FOR THE FIRST PUBLIC HEARING

The *(City [Town] Council of _____ or _____ County Commissioners)* will hold a public hearing on *(day), (date), (time), in the (Building), Room ____*, for the purpose of obtaining public comments regarding the *City's (Town's or County's)* overall community development, public facilities, economic development, and housing needs, including the needs of low and moderate income persons. *The (City [Town] Council of _____ or _____ County Commissioners)* will also seek the views of citizens on the activities that should be undertaken to meet the identified needs and their relative priority. The *(City [Town] or County)* may apply for state or federal funding to deal with local housing, public facilities, or other community needs and would like comments or suggestions from local citizens regarding the *City's (Town's or County's)* needs and the type of projects which should be considered. Comments may be given orally at the hearing or submitted in writing before *(time and date)*.

Anyone who would like more information or who wants to submit suggestions should contact *(person), (title), (telephone number)*.

SAMPLE NOTICE FOR THE SECOND PUBLIC HEARING

The *(City [Town] Council of _____ or _____ County Commissioners)* will hold a public hearing on *(day), (date), (time), in the (Building), Room _____*, for the purpose of obtaining public comments regarding a proposed application(s) for a *(type of project, description of project, and project area, as applicable)*. At the public hearing, the proposed project will be explained, including the purpose and proposed area of the project, activities, budget, possible sources of funding, *and (if applicable, any costs that may result for local citizens as a result of the project)*. All interested persons will be given the opportunity to ask questions and to express their opinions regarding this proposed project.

Comments may be given orally at the hearing or submitted in writing before *(time and date)*.

Anyone who would like more information or who wants to submit questions or comments should contact *(person), (title), (telephone number)*. A copy of the application(s) to be submitted for funding the project is *(are)* available for review at *(location)* during regular office hours.

APPENDIX I

TARGET RATE ANALYSIS FOR WATER, WASTEWATER AND SOLID WASTE PROJECTS

Because of the importance of "target rate analysis" in the ranking of CDBG applications for water, wastewater and solid waste projects, applicants should contact the CDBG staff to ensure that the applicant is using the correct target rate in their financial analysis of the project.

County Water and Sewer Districts, projects that will benefit only a small, defined area of a city or town, tribal governments, and communities that have undergone dramatic demographic or economic changes since the 2000 Census, should read the notes at the end of this appendix.

"Target rate analysis" is a key part of the financial assessment for water, wastewater and solid waste projects. It is used by MDOC to help determine the amount of grant funds a community needs to keep its user rates, resulting from a proposed improvement to a water, wastewater, or solid waste project, at a reasonably affordable level for its citizens relative to other communities. The idea of "target rates" is based on the concept that the ability of a community, as a whole, to pay a particular user rate is related to the overall median household income level in the community, and that communities with higher median household incomes can afford higher rates than those with lower median household incomes.

MDOC conducts a survey of user rates charged by selected water, wastewater, and solid waste systems around Montana every ten years, when new U.S. Census data is available, for the purpose of computing new "target percentages." The target percentage is multiplied times a community's median household income (MHI) in order to compute its target rate. The systems selected for the survey are typically those that have had improvements made in recent years, are currently operating in compliance with state and federal regulations, and are charging user fees that adequately support the cost of operating the system. The systems' average user rates are compared to the communities' MHI obtained from the new Census data. The resulting ratios from these surveyed systems are averaged and the target percentage computed, which is then used to compute target rates for ten years until new Census data is available.

MDOC utilizes the combined rates for both water and wastewater systems in its target rate analysis. This helps to ensure that an applicant's need for financial assistance is not understated if either of the systems have high rates, even though the other system may have relatively low rates. For communities with only a water system, or a wastewater system, but not both, only the target rate for that system will be used. Storm drain projects are computed as if it were a part of the wastewater system. Target rate analysis of solid waste systems will consider rates for that service alone.

A community's target rate is computed by multiplying the community's MHI by the combined target percentage (2.3%) to measure residential households ability to pay combined water and

wastewater rates (1.4% for water systems plus .9% for wastewater systems equals 2.3%). For communities with only one system, 1.4% will be used for water systems and .9% will be used for wastewater systems. A community's target rate for a solid waste system is computed by multiplying the community's MHI by the target percentage (.3%) to measure residential households ability to pay solid waste rates.

Note that the target percentage for wastewater systems has increased from 0.8% to 0.9% and the combined target percentage has increased from 2.2% to 2.3%.

For example, if a community had an annual MHI of \$30,000, this figure is multiplied by 2.3% and then multiplied by 90%. The sum is then divided by twelve months to determine the community's combined monthly target rate (for water and wastewater) of \$51.75 per month ($\$30,000 \times 2.3\% \times 90\% = \621 divided by 12 months = \$51.75 per month). If a community only has a water system and no wastewater system, the target rate would be \$31.50 per month ($\$30,000 \times 1.4\% \times 90\% = \378 divided by 12 months). If a community only has a wastewater system and no water system, the target rate would be \$20.25 per month ($\$30,000 \times .9\% \times 90\% = \243 divided by 12 months).

Over the last ten years, MDOC has multiplied the community's target percentage times 90% (the "multiplier") for comparison against actual user rates, for the purpose of conducting the CDBG financial analysis. This has been done because of the potential inaccuracies of the methodology, and it provides applicants with some remaining capacity to meet future emergencies or facility needs that may be unknown at this time. However, the MHI figures taken from the decennial census data, upon which target rates are computed, become less accurate over time. As a result of target rates being adjusted only once, every ten years, the target rate that is used for the ten-year period increasingly does not reflect the actual increases in incomes and rates paid by the systems' users as the census data gets older. In addition, because the target rate is adjusted only once, every ten years, the target rates increase significantly with the new MHI figures.

In order to compensate for the inability to adjust target rates on a more frequent basis, and to lessen the degree to which target rates increase every ten years, the "multiplier" will increase by 2% every two years. In 2004, when CDBG applications are next due, MDOC will continue to multiply the target percentage times 90%, but in 2006 the target percentage will be multiplied times 92%, in 2008 - 94%, in 2010 - 96%, and in 2012 - 98%. When new census data is available in 2014 and new target percentages are computed, MDOC will start all over again by multiplying the target percentage times 90% and then again increasing the amount by 2% every two years.

As a result of a comment on the draft guidelines, MDOC decided to maintain some discretion in making this adjustment. Because increasing the multiplier by 2% each cycle could potentially be too aggressive, compared to actual inflation, MDOC will examine the annual income estimates provided by the U.S. Census Bureau. Based on the estimates for the statewide MHI, MDOC may lower the multiplier in any given funding cycle over the next ten years.

Examples of Target Rate Analysis: With CDBG Assistance and Without CDBG Assistance

The following examples illustrate the target rate concept applied to a hypothetical community. The Rivers Edge Water and Sewer District, which serves 492 households, is in violation of the Federal Safe Drinking Water Act because of various contaminants. The District plans to make several improvements to the water storage and distribution system. Residents are already paying \$15.25 per month to pay for an existing loan for a previous project to improve their wastewater system, plus operating and maintenance costs of \$10 per month for the water and wastewater systems. The District does not have the borrowing capacity to fund the necessary improvements without CDBG assistance and is requesting a CDBG grant in the amount of \$500,000. The District's combined target rate is approximately \$51.75 per month per household. (\$30,000 MHI multiplied by .023, divided by 12 months, and multiplied by .90).

The following assumptions are made for the example below:

- Included in the user rates of the proposed debt are: \$15,000 for costs of issuance; 10% debt service reserve; and 25% debt service coverage costs of the annual debt service payment.
- The "Cost of Issuance" includes bond counsel, financial advisor, official statement printing, bond sale advertisement, and bond printing.

EXAMPLE WITHOUT CDBG ASSISTANCE

Estimated Project Cost	\$2,380,000
Cost of Bond Issuance	<u>+\$ 15,000</u>
	\$2,395,000
Reserve Required	<u>x 1.10</u>
Total Financial Need	\$2,634,500

Interest Rate: 5%

Term: 20 Years

Base Annual Debt Service: \$208,652

Debt Service Coverage: x 1.25

Total Annual Debt Service \$260,816

$\$260,816 / 12 \text{ months} / 492 \text{ users} = \44.18 projected monthly user rate increase to finance new water system improvements.

$\$44.18 \text{ projected rate} + \$15.25 \text{ existing debt} + \$10.00 \text{ projected operating and maintenance costs (water and wastewater system)} = \$69.43 \text{ total monthly user rate.}$

Without a CDBG grant, the combined water and wastewater rates would be \$69.43 per month per household, which is considerably above the target rate of \$51.75 month per household (134% of target rate). Without a CDBG grant, local residents will pay an additional \$111 per household per year. This community clearly needs CDBG assistance to make the project more affordable.

EXAMPLE WITH CDBG ASSISTANCE

Estimated Project Cost	\$ 2,380,000
CDBG Grant	- \$ 500,000
Financing Need	\$ 1,880,000
Cost of Bond Issuance	\$ 15,000
	\$ 1,895,000
Reserve Required	x 1.10
Total Financial Need	\$ 2,084,500
Interest Rate: 5%	
Term: 20 years	
Base Annual Debt Service:	\$ 165,092
Debt Service Coverage:	x 1.25
Total Annual Debt Service	\$ 206,366

$\$206,366 / 12 \text{ months} / 492 \text{ users} = \34.95 projected monthly user rate increase to finance new water system improvements.

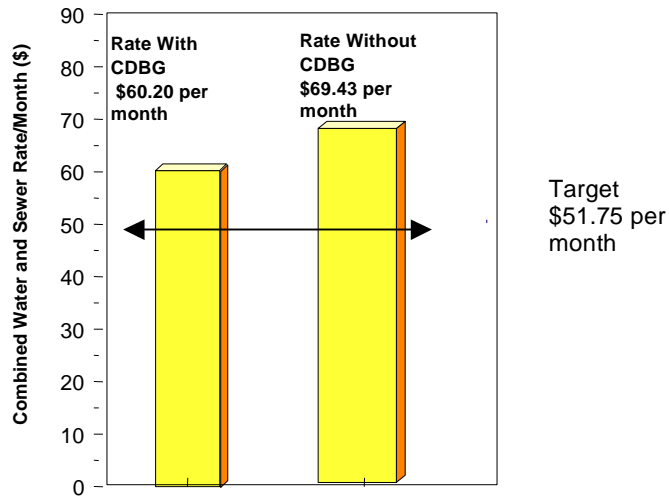
$\$34.95 \text{ projected rate} + \$15.25 \text{ existing debt} + \$10.00 \text{ projected operating and maintenance costs (water and wastewater system)} = \$60.20 \text{ total monthly user rate.}$

With the CDBG grant, the combined water and wastewater rates would be \$60.20 per month per household, which is still above the target rate of \$51.75 per month per household (116% of target rate). Therefore, a CDBG grant would be recommended, since this community needs a CDBG grant to keep the project reasonably affordable. A chart on page I-5 graphically represents Community A's need for a CDBG grant. Without a CDBG grant, the combined water and wastewater rates would be considerably above the target affordable combined rate, and the project may not be reasonably affordable for local residents to build. Even with the CDBG grant, the combined water and wastewater rates would be above the target rate; however, the project should be more reasonably affordable for local residents.

For comparison, a second community's financial situation is presented on the bottom of the chart on page I-5. Community B, which has the same number of system users, current debt and projected O&M as Community A, is planning to do the same project. However, Community B has an MHI of \$42,000, which results in a target rate of \$72.45. As a result, Community B can complete the project without a CDBG grant, because its combined monthly water and sewer rates upon completion of the proposed project would still be below the target rate. Therefore, a CDBG grant would not be recommended for Community B.

In order to determine whether a proposed project would be recommended for a CDBG grant, a financial analysis must be completed to determine whether the projected user rates, upon completion of the project, would be above or below the target rate. Based on this analysis, applicants should propose a financial package that ensures that their projected user rates are above the target rate, so as to qualify for a CDBG grant.

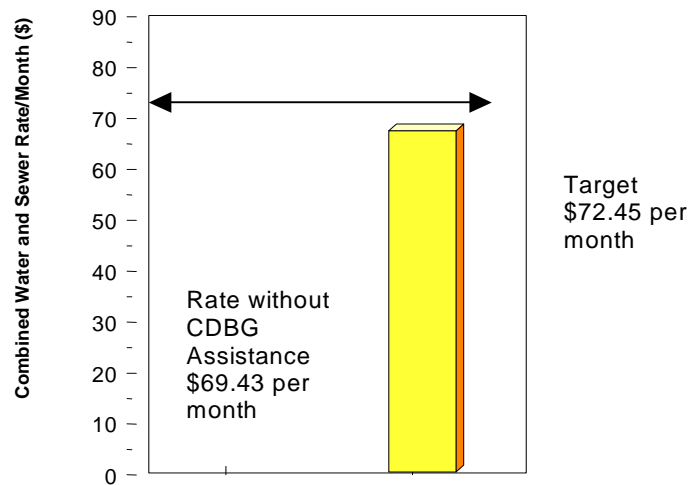
COMMUNITY A



Median Household Income	\$30,000
Target	\$51.75
Rate with CDBG grant	\$60.20
Rate without CDBG grant	\$69.43

A CDBG grant is recommended for Community A since it is above the target rate.

COMMUNITY B



Median Household Income	\$42,000
Target	\$72.45
Rate without CDBG grant	\$69.43

A CDBG grant is not recommended for Community B since it is below the target rate.

Calculating “Target Rates” For Districts and Small Project Areas Within Cities

Cities, towns and counties, and some county water and sewer districts that have been designated as a Census Designated Place, have statistics already prepared as part of the process of preparing the census. For other county water and sewer districts there is no census data currently available and a census study is required. In addition, some proposed projects only provide improvements to a small portion of the city, and the cost of the project is paid for by those benefiting from the project through special improvement district (SID) assessments on their property. This situation also requires a census study in order to obtain census data for just the project area as compared to using the census data for the entire jurisdiction of the applicant.

Upon request, the CDBG staff will compute the Median Household Income (MHI), Low to Moderate Income (LMI) and Poverty Income statistics for the project area, and compute the target rate for the project area. Potential applicants will need to provide a map clearly showing the boundaries of the project area along with any other references, such as roads and rivers, that would help to locate the project area on the census maps.

When a census study is required, CDBG will compute the MHI, LMI and Poverty statistics by using data for the smallest geographical census area that encompasses the proposed project area. However, the CDBG staff sometimes has to use census data that includes statistics for areas outside of the boundaries of the district or project area, because that is the smallest geographical area delineated by the U.S. Census Bureau to obtain the data. The inclusion of these additional households from outside of the boundaries of the project area can sometimes adversely affect the income data, and more importantly, elevate the target rate.

In order to eliminate these additional households from the target rate computation, applicants are allowed to conduct an income survey in order to establish more accurate income figures. See Appendix D of CDBG’s handbook, “Documenting Benefit to Low and Moderate Income Persons” for more information on conducting an income study.

Communities That Have Undergone Dramatic Demographic Or Economic Changes

Some communities may have undergone dramatic demographic or economic changes since the 2000 Census information was obtained. A major industry, such as a lumber mill or a mine, may have closed. In a small community the mill or the mine may have been the major employer. The impact of the closing may have resulted in dramatic economic changes for the community. It would mean a loss of jobs, which are typically higher paying jobs, potentially a loss of population as families move to find new jobs, and probably less spending in the retail and service sectors of the local economy. The combined effect of these changes may have resulted in a significantly lower median household income, a higher percentage of low to moderate-income households, and higher percentage of poverty households.

Under these conditions, an applicant may conduct an income survey in order to establish more current income figures. See Appendix D of "Documenting Benefit to Low and Moderate Income Persons" for more information on conducting an income survey.

Because of the importance of "target rate analysis" in the ranking of CDBG applications for water, wastewater and solid waste projects, applicants should contact the CDBG staff in order to have their target rates calculated or verified in order to ensure that the correct target rate is being used.

If the proposed user rates would be below the target rate, after preparing a preliminary financial package to construct the proposed project, applicants should discuss their proposed projects with MDOC staff. **Grant funding will not be recommended for projects that would result in user charges below the target rate.**

To obtain the specific census data and target rates, for Census Designated Places (cities and towns, county water and sewer districts, and counties), using the Internet, go to:

http://commerce.state.mt.us/CDD_TSEP_Search.asp

If you do not have access to the Internet, the CDBG staff can provide the information by calling 841-2791.

INTRODUCTION

The **Community Development Block Grant (CDBG) Program Application Guidelines for Public Facilities Projects, for the May, 2005 Grant Competition** explain how cities, towns, and counties can apply for financial assistance for federal fiscal year (FFY) 2006 funds under the Community Development Block Grant (CDBG) Program. In addition to providing information regarding the types of public facility projects and activities which are eligible for funding under the CDBG program, these guidelines set out the general policies for CDBG and the special requirements and ranking criteria which the Montana Department of Commerce (MDOC) will use to evaluate applications for Public Facilities projects. The uniform application form, and the preliminary engineering report and environmental requirements are in a separate publication, the **Uniform Application for Montana Public Facility Projects, Fourth Edition, September, 2003.**

Montana's CDBG program is a federally funded, competitive grant program designed to help communities of less than 50,000 population with their highest priority community development needs. All CDBG projects must principally benefit low and moderate income persons. The program was established by the federal Housing and Community Development Act of 1974. The Montana Department of Commerce (MDOC) administers the program under contract with the U.S. Department of Housing and Urban Development (HUD). In 1982, MDOC took over administration of the "Small Cities" CDBG program for communities of less than 50,000 population from HUD. The MDOC Business Resources Division administers the Economic Development category. The MDOC Community Development Division administers the Housing and Public Facilities categories.

CDBG Federal Budget Proposal for FFY 2006 Funding

As many of you know, Governor Schweitzer has proposed one of the most ambitious economic development plans in our state's history. The Governor is committed to provide the resources necessary to dramatically move Montana forward. He has included in his budget the funds which will allow the Department of Commerce to undertake the task of business and job expansion that will greatly benefit all Montanans. Unfortunately, as these guidelines go to press, President Bush's proposed budget seeks to drastically reduce and even eliminate some of the very programs that are essential to the success of the Governor's efforts to accelerate economic and community development. If the President's proposal is approved, all Montanans will have significantly fewer resources to meet their critical economic and community development needs.

Since the Department of Commerce began administering the State CDBG Program in 1982, the annual budget for the CDBG program that has been set by Congress has seldom varied, up or down, by more than about five percent. On February 8, 2005 the President's administration proposed terminating the CDBG program. The President's FFY 2006 budget proposes to create a new development program within the U.S. Department of Commerce, entitled the "Strengthening America's Communities Grant Program." This program would include a consolidation of HUD's Community Development Block Grant (CDBG) Program along with 17 other economic and community development programs. The President's budget allocates \$3.7 billion for this new program to "provide economically distressed communities with the source for funding for planning, infrastructure development, and business financing to achieve long-term economic stability and growth."

The administration's proposal overall represents a significant decrease in available funding for community development, economic development, and housing activities. The administration is proposing \$3.7 billion for the 18 consolidated programs, including CDBG. The CDBG Program alone was \$4.7 billion nation-wide for FFY '05, which included 70% (about \$3.3 billion) for communities over 50,000 in population (Billings, Great Falls, and Missoula in Montana) with the remaining 30% (about \$1.4 billion) split among the states to serve communities under 50,000 population.

Since 1982, Montana communities have received CDBG funds to address a variety of critical community needs, while principally benefiting low and moderate income families. This CDBG funding has been matched with other federal, state, and local funding to accomplish hundreds of millions of dollars of important local economic development, housing, and public facility projects. In fact, there are few Montana communities that have not benefited from the CDBG program at one time or another.

The information that follows regarding Montana's proposed FFY 2006 program and budget was developed before the Bush Administration's proposed cuts became public.

The Montana CDBG Program will proceed with the development of application guidelines for the FFY 2006 (calendar year 2005) CDBG program, assuming a funding level equal to last year's program, until more definitive information regarding the status of the CDBG program is received.

The Montana CDBG Program will try to keep Montana local government officials, and others interested in the CDBG program, informed of any new developments regarding the proposed cut in funding. If local governments would like to receive updates on the CDBG budget issue, contact Gus Byrom at the telephone number or e-mail address on the next page and provide your e-mail address.

Organization of the Public Facilities Guidelines

If you have not previously worked with Montana's CDBG Program, the volume of the guidelines may, at first, seem a bit overwhelming. This is in part because CDBG is able to fund such a wide variety of community development projects. Also, because of the federal requirements involved, there is considerable "red tape" involved in applying for and administering a Community Development Block Grant; however, even very small communities have demonstrated that they can successfully apply for and administer a CDBG project.

In addition to these guidelines, MDOC has prepared supplementary materials to help local officials prepare CDBG applications and comply with the various requirements. These include items such as sample income survey forms, budget forms, formats for public hearing announcements and local government resolutions, and computerized application formats, including checklists to help make sure that the application is complete.


Copies of the application materials for the Public Facilities category will be distributed at regional application workshops or may be ordered from the MDOC's Community Development Division at the address noted below or may be downloaded from the MDOC website:

http://commerce.state.mt.us/CDD_CDBG_PF.asp

If you have any questions regarding Montana's CDBG Program, please contact us.

The CDBG staff will assist applicants in understanding all of the technical and financial requirements of the CDBG program. Local officials and staff or private consultants or engineers are welcome to contact or meet with the MDOC CDBG staff to discuss any questions or concerns they may have regarding the CDBG guidelines, or the uniform application form,

preliminary engineering report outline or environmental checklist found in the *Uniform Application for Montana Public Facility Projects, Fourth Edition (September, 2003)*. Any inquiries regarding the program or potential CDBG projects should be made as far in advance of the application deadline as possible.

 MDOC has a variety of resources to assist you in preparing your grant application. You can borrow copies of previously successful public facility applications submitted by communities and other related reference materials are available upon request from MDOC staff.

The *Uniform Application for Montana Public Facility Projects, Fourth Edition (September, 2003)* is also available on computer disk and from the Water, Wastewater and Solid Waste Action Coordinating Team (W2ASACT) website on the Internet at: <http://www.dnrc.state.mt.us/cardd/uniform.html>. The *CDBG Application Guidelines for Public Facility Projects* are available in Microsoft Word format on diskette or CD from our office or may be downloaded from our website:

http://commerce.state.mt.us/CDD_CDBG_PF.asp

For a copy of the application guidelines for economic development projects, contact:

CDBG Program - Economic Development
MDOC/Business Resources Division
301 South Park Avenue - P.O. Box 200501
Helena, MT 59620-0501
Phone: (406) 841-2734 FAX: (406) 841-2731

For additional copies of the Application Guidelines and Application Supplements for Housing or Public Facilities projects or a copy of the application forms on a computer diskette, contact:

CDBG Program - Housing and Public Facilities
MDOC/Community Development Division
301 South Park Avenue - P.O. Box 200523
Helena, MT 59620-0523

Phone: (406) 841-2791 TDD: (406) 841-2702 FAX: (406) 841-2771

Website: http://commerce.state.mt.us/CDD_CDBG.asp

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Alternative accessible formats of this document will be provided upon request. If you need this document in an alternative format, such as large print, Braille, audio tape, or computer diskette, please contact the Montana Department of Commerce Community Development Division at (406) 841-2791, TDD (406) 841-2702, or the Relay Services number, 711.



APPENDIX J

Target Rates and Socio-Economic Data from the 2000 Census

PLACE NAME	COUNTY	TOTAL POP.	Total Households	POVERTY RATE	MEDIAN HOUSEHOLD INCOME	LMI	Water & Wastewater	Water Only	Wastewater Only
Absarokee CDP	Stillwater	1,234	499	7.1	\$43,676	28.2	\$75.34	\$45.86	\$29.48
Agency CDP	Hill	324	79	23.9	\$22,308	52.2	\$38.48	\$23.42	\$15.06
Alberton town	Mineral	374	152	19.6	\$26,000	56	\$44.85	\$27.30	\$17.55
Alder CDP	Madison	116	48	1.8	\$26,458	46	\$45.64	\$27.78	\$17.86
Amsterdam-Churchill CDP	Gallatin	727	255	11.7	\$40,139	37.2	\$69.24	\$42.15	\$27.09
Anaconda-Deer Lodge	Deer Lodge	9,417	3,995	15.8	\$26,305	44.3	\$45.38	\$27.62	\$17.76
Antelope CDP	Sheridan	43	21	22.4	\$16,500	71.4	\$28.46	\$17.33	\$11.14
Arlee CDP	Lake	602	235	34.1	\$21,188	65.9	\$36.55	\$22.25	\$14.30
Ashland CDP	Rosebud	464	151	34.7	\$22,222	68.6	\$38.33	\$23.33	\$15.00
Augusta CDP	Lewis and Clark	284	142	14.7	\$24,688	69.1	\$42.59	\$25.92	\$16.66
Avon CDP	Powell	124	48	41.2	\$25,208	60.5	\$43.48	\$26.47	\$17.02
Azure CDP	Hill	253	55	32.4	\$19,821	70.7	\$34.19	\$20.81	\$13.38
Bainville town	Roosevelt	153	72	14.8	\$26,250	48.8	\$45.28	\$27.56	\$17.72
Baker city	Fallon	1,695	694	10.7	\$30,893	40.3	\$53.29	\$32.44	\$20.85
Ballantine CDP	Yellowstone	346	130	7.4	\$30,417	49.2	\$52.47	\$31.94	\$20.53
Basin CDP	Jefferson	255	113	32.6	\$22,500	65.6	\$38.81	\$23.63	\$15.19
Bearcreek town	Carbon	83	38	12.6	\$32,917	31	\$56.78	\$34.56	\$22.22
Beaver Creek CDP	Hill	291	109	0	\$43,571	13.4	\$75.16	\$45.75	\$29.41
Belfry CDP	Carbon	219	98	20.3	\$25,313	47.2	\$43.66	\$26.58	\$17.09
Belgrade city	Gallatin	5,728	2,132	11.4	\$37,392	43.6	\$64.50	\$39.26	\$25.24
Belt city	Cascade	633	273	12.9	\$25,469	57.3	\$43.93	\$26.74	\$17.19
Big Arm CDP	Lake	131	56	8	\$29,000	46.4	\$50.03	\$30.45	\$19.58
Bigfork CDP	Flathead	1,421	652	9.1	\$36,116	33.7	\$62.30	\$37.92	\$24.38
Big Sandy town	Chouteau	703	296	14.1	\$28,523	44.2	\$49.20	\$29.95	\$19.25
Big Sky CDP	Gallatin & Madison	1,221	573	6.2	\$39,688	29.3	\$68.46	\$41.67	\$26.79
Big Timber city	Sweet Grass	1,650	711	10.8	\$30,595	39.4	\$52.78	\$32.12	\$20.65
Billings city	Yellowstone	89,847	37,525	12	\$35,147	N/A	\$60.63	\$36.90	\$23.72
Birney CDP	Rosebud	108	29	50	\$15,417	63.4	\$26.59	\$16.19	\$10.41
Black Eagle CDP	Cascade	914	418	11.1	\$23,529	51	\$40.59	\$24.71	\$15.88
Boneau CDP	Chouteau	190	42	44	\$21,750	71	\$37.52	\$22.84	\$14.68
Bonner-West Riverside CDP	Missoula	1,693	690	10.9	\$32,557	47.2	\$56.16	\$34.18	\$21.98
Boulder town	Jefferson	1,300	508	15.6	\$29,276	55	\$50.50	\$30.74	\$19.76
Box Elder CDP	Chouteau & Hill	794	183	51.2	\$19,728	75.4	\$34.03	\$20.71	\$13.32
Bozeman city	Gallatin	27,509	10,877	20.2	\$32,156	46.4	\$55.47	\$33.76	\$21.71
Bridger town	Carbon	745	313	16.2	\$26,103	46.7	\$45.03	\$27.41	\$17.62
Broadus town	Powder River	451	199	14.5	\$25,156	51.1	\$43.39	\$26.41	\$16.98
Broadview town	Yellowstone	150	64	9.8	\$29,500	55.4	\$50.89	\$30.98	\$19.91
Brockton town	Roosevelt	245	67	50.8	\$19,167	68.9	\$33.06	\$20.13	\$12.94
Browning town	Glacier	1,065	360	29.2	\$23,879	61.3	\$41.19	\$25.07	\$16.12

PLACE NAME	COUNTY	TOTAL POP.	Total Households	POVERTY RATE	MEDIAN HOUSEHOLD INCOME	LMI	Water & Wastewater	Water Only	Wastewater Only
Busby CDP	Big Horn	695	177	35.8	\$28,750	57.3	\$49.59	\$30.19	\$19.41
Butte-Silver Bow (balance)	Silver Bow	33,892	14,135	15	\$30,516	40.5	\$52.64	\$32.04	\$20.60
Camp Three CDP	Musselshell	138	77	20.3	\$17,212	58	\$29.69	\$18.07	\$11.62
Cardwell CDP	Jefferson	40	19	9.7	\$21,250	100	\$36.66	\$22.31	\$14.34
Carter CDP	Chouteau	62	31	13.4	\$24,583	47.8	\$42.41	\$25.81	\$16.59
Cascade town	Cascade	819	323	12.1	\$30,602	45.2	\$52.79	\$32.13	\$20.66
Charlo CDP	Lake	439	166	21.2	\$24,167	54.6	\$41.69	\$25.38	\$16.31
Chester town	Liberty	871	384	13.5	\$27,578	42.3	\$47.57	\$28.96	\$18.62
Chinook city	Blaine	1,386	657	17.3	\$25,461	46.6	\$43.92	\$26.73	\$17.19
Choteau city	Teton	1,781	807	17.6	\$25,708	46.2	\$44.35	\$26.99	\$17.35
Circle town	McCone	644	291	18.3	\$27,500	41.1	\$47.44	\$28.88	\$18.56
Clancy CDP	Jefferson	1,406	540	3.3	\$52,938	23.2	\$91.32	\$55.58	\$35.73
Clinton CDP	Missoula	549	204	19.2	\$31,731	60.9	\$54.74	\$33.32	\$21.42
Clyde Park town	Park	310	137	10	\$28,194	46.4	\$48.63	\$29.60	\$19.03
Colstrip city	Rosebud	2,346	825	7	\$55,650	20.8	\$96.00	\$58.43	\$37.56
Columbia Falls city	Flathead	3,645	1,400	17.1	\$31,128	42.5	\$53.70	\$32.68	\$21.01
Columbus town	Stillwater	1,748	709	13.6	\$33,750	41.2	\$58.22	\$35.44	\$22.78
Conrad city	Pondera	2,753	1,154	13.4	\$29,432	41.7	\$50.77	\$30.90	\$19.87
Cooke City-Silver Gate CDP	Park	140	79	15.8	\$25,000	53.4	\$43.13	\$26.25	\$16.88
Coram CDP	Flathead	337	134	19	\$22,000	59.9	\$37.95	\$23.10	\$14.85
Corvallis CDP	Ravalli	443	185	40.8	\$17,434	59.2	\$30.07	\$18.31	\$11.77
Crow Agency CDP	Big Horn	1,552	336	40.9	\$22,438	62.4	\$38.71	\$23.56	\$15.15
Culbertson town	Roosevelt	716	295	11.3	\$30,000	41.2	\$51.75	\$31.50	\$20.25
Custer CDP	Yellowstone	145	68	1.4	\$26,944	41.4	\$46.48	\$28.29	\$18.19
Cut Bank city	Glacier	3,105	1,264	12.4	\$33,885	33.9	\$58.45	\$35.58	\$22.87
Darby town	Ravalli	710	279	24	\$25,221	60.1	\$43.51	\$26.48	\$17.02
Dayton CDP	Lake	95	48	0	\$33,125	28.3	\$57.14	\$34.78	\$22.36
De Borgia CDP	Mineral	69	34	19.7	\$22,917	63.6	\$39.53	\$24.06	\$15.47
Deer Lodge city	Powell	3,421	1,442	10.9	\$29,859	43	\$51.51	\$31.35	\$20.15
Denton town	Fergus	301	133	8.5	\$28,393	39.7	\$48.98	\$29.81	\$19.17
Dillon city	Beaverhead	3,752	1,669	18.2	\$26,389	43.8	\$45.52	\$27.71	\$17.81
Dixon CDP	Sanders	216	89	35.9	\$15,455	68.4	\$26.66	\$16.23	\$10.43
Dodson town	Phillips	122	49	28.9	\$19,464	50.4	\$33.58	\$20.44	\$13.14
Drummond town	Granite	318	140	13.6	\$26,500	42.6	\$45.71	\$27.83	\$17.89
Dutton town	Teton	389	158	8	\$34,063	38.3	\$58.76	\$35.77	\$22.99
East Glacier Park Village CDP	Glacier	396	148	14.1	\$37,417	34.1	\$64.54	\$39.29	\$25.26
East Helena town	Lewis and Clark	1,642	694	8.6	\$31,071	51.8	\$53.60	\$32.62	\$20.97
East Missoula CDP	Missoula	2,070	795	13.6	\$27,094	51.8	\$46.74	\$28.45	\$18.29
Ekalaka town	Carter	410	195	12.2	\$19,432	57.8	\$33.52	\$20.40	\$13.12
Elliston CDP	Powell	225	89	10.4	\$31,964	28.9	\$55.14	\$33.56	\$21.58
Elmo CDP	Lake	143	52	96.1	\$8,036	100	\$13.86	\$8.44	\$5.42
Ennis town	Madison	840	367	11.9	\$30,735	41.8	\$53.02	\$32.27	\$20.75

PLACE NAME	COUNTY	TOTAL POP.	Total Households	POVERTY RATE	MEDIAN HOUSEHOLD INCOME	LMI	Water & Wastewater	Water Only	Wastewater Only
Eureka town	Lincoln	1,017	431	22.9	\$27,120	50.2	\$46.78	\$28.48	\$18.31
Evaro CDP	Missoula	329	110	6.8	\$36,250	48.8	\$62.53	\$38.06	\$24.47
Evergreen CDP	Flathead	6,215	2,414	14.2	\$29,451	48.4	\$50.80	\$30.92	\$19.88
Fairfield town	Teton	659	285	11.3	\$29,018	41.1	\$50.06	\$30.47	\$19.59
Fairview town	Richland	709	310	15.7	\$26,023	54.1	\$44.89	\$27.32	\$17.57
Fallon CDP	Prairie	138	63	35.8	\$16,818	73.9	\$29.01	\$17.66	\$11.35
Finley Point CDP	Lake	493	213	8.4	\$30,987	36	\$53.45	\$32.54	\$20.92
Flaxville town	Daniels	87	44	9.1	\$34,688	26.9	\$59.84	\$36.42	\$23.41
Florence CDP	Ravalli	901	323	17.3	\$39,286	24.6	\$67.77	\$41.25	\$26.52
Forsyth city	Rosebud	1,944	826	10.5	\$33,533	37.5	\$57.84	\$35.21	\$22.63
Fort Belknap Agency CDP	Blaine	1,262	345	38.3	\$22,000	60.4	\$37.95	\$23.10	\$14.85
Fort Benton city	Chouteau	1,594	636	13.4	\$29,406	41	\$50.73	\$30.88	\$19.85
Fortine CDP	Lincoln	169	74	11.8	\$26,500	45.6	\$45.71	\$27.83	\$17.89
Fort Peck town	Valley	240	91	0.8	\$47,083	15.5	\$81.22	\$49.44	\$31.78
Fort Shaw CDP	Cascade	274	101	9.3	\$36,250	33.6	\$62.53	\$38.06	\$24.47
Fort Smith CDP	Big Horn	122	51	50	\$24,250	65.1	\$41.83	\$25.46	\$16.37
Four Corners CDP	Gallatin	1,828	761	10.3	\$36,964	38.8	\$63.76	\$38.81	\$24.95
Fox Lake CDP	Richland	157	58	16.2	\$31,000	40.1	\$53.48	\$32.55	\$20.93
Frazer CDP	Valley	452	115	47.1	\$19,500	76.4	\$33.64	\$20.48	\$13.16
Frenchtown CDP	Missoula	883	291	0	\$46,094	27.1	\$79.51	\$48.40	\$31.11
Froid town	Roosevelt	195	97	7.6	\$24,583	43.7	\$42.41	\$25.81	\$16.59
Fromberg town	Carbon	486	198	10	\$29,219	50.2	\$50.40	\$30.68	\$19.72
Gardiner CDP	Park	851	435	8.2	\$30,125	35	\$51.97	\$31.63	\$20.33
Garrison CDP	Powell	112	50	36.4	\$33,250	39.3	\$57.36	\$34.91	\$22.44
Geraldine town	Chouteau	284	115	6.5	\$30,893	38.8	\$53.29	\$32.44	\$20.85
Gildford CDP	Hill	185	76	4.9	\$33,125	28.8	\$57.14	\$34.78	\$22.36
Glasgow city	Valley	3,253	1,395	9	\$30,491	36.6	\$52.60	\$32.02	\$20.58
Glendive city	Dawson	4,729	1,983	14.8	\$30,943	37.3	\$53.38	\$32.49	\$20.89
Grass Range town	Fergus	149	67	44.4	\$19,375	54.2	\$33.42	\$20.34	\$13.08
Great Falls city	Cascade	56,690	23,834	14.5	\$32,436	N/A	\$55.95	\$34.06	\$21.89
Greycliff CDP	Sweet Grass	56	21	18.8	\$38,750	42.3	\$66.84	\$40.69	\$26.16
Hamilton city	Ravalli	3,705	1,772	17.8	\$22,013	52.8	\$37.97	\$23.11	\$14.86
Hardin city	Big Horn	3,384	1,295	23.9	\$28,018	49.3	\$48.33	\$29.42	\$18.91
Harlem city	Blaine	848	332	23	\$27,794	48.8	\$47.94	\$29.18	\$18.76
Harlowton city	Wheatland	1,062	496	10.3	\$23,636	48.7	\$40.77	\$24.82	\$15.95
Harrison CDP	Madison	162	64	13.8	\$36,875	38.6	\$63.61	\$38.72	\$24.89
Havre city	Hill	9,621	4,015	17.5	\$29,944	40.7	\$51.65	\$31.44	\$20.21
Havre North CDP	Hill	973	422	23.3	\$20,888	63.2	\$36.03	\$21.93	\$14.10
Hays CDP	Blaine	702	188	50.4	\$17,000	74.4	\$29.33	\$17.85	\$11.48
Heart Butte CDP	Pondera	698	164	44.7	\$20,885	72.8	\$36.03	\$21.93	\$14.10
Helena city	Lewis and Clark	25,780	11,541	14.5	\$34,416	40.1	\$59.37	\$36.14	\$23.23
Helena Valley Northeast CDP	Lewis and Clark	2,122	776	3.8	\$50,804	24.4	\$87.64	\$53.34	\$34.29

PLACE NAME	COUNTY	TOTAL POP.	Total Households	POVERTY RATE	MEDIAN HOUSEHOLD INCOME	LMI	Water & Wastewater	Water Only	Wastewater Only
Helena Valley Northwest CDP	Lewis and Clark	2,082	741	8.2	\$45,385	32.4	\$78.29	\$47.65	\$30.63
Helena Valley Southeast CDP	Lewis and Clark	7,141	2,495	7.4	\$38,147	43.2	\$65.80	\$40.05	\$25.75
Helena Valley West Central CDP	Lewis and Clark	6,983	2,555	6.4	\$43,881	36.4	\$75.69	\$46.08	\$29.62
Helena West Side CDP	Lewis and Clark	1,711	725	10	\$35,655	43.6	\$61.50	\$37.44	\$24.07
Heron CDP	Sanders	149	58	18.2	\$28,750	45.5	\$49.59	\$30.19	\$19.41
Herron CDP	Hill	100	43	0	\$37,727	48.5	\$65.08	\$39.61	\$25.47
Highwood CDP	Chouteau	189	66	8.8	\$44,375	32.2	\$76.55	\$46.59	\$29.95
Hingham town	Hill	157	65	10.8	\$38,333	32.4	\$66.12	\$40.25	\$25.87
Hobson city	Judith Basin	244	108	20.7	\$30,179	45.5	\$52.06	\$31.69	\$20.37
Hot Springs town	Sanders	531	280	38.2	\$12,663	77.9	\$21.84	\$13.30	\$8.55
Hungry Horse CDP	Flathead	934	346	29.7	\$26,550	59	\$45.80	\$27.88	\$17.92
Huntley CDP	Yellowstone	411	160	11.5	\$36,125	46.1	\$62.32	\$37.93	\$24.38
Hysham town	Treasure	330	150	13.4	\$30,179	33	\$52.06	\$31.69	\$20.37
Inverness CDP	Hill	103	40	23.5	\$28,750	49	\$49.59	\$30.19	\$19.41
Ismay town	Custer	26	7	0	\$32,083	39.1	\$55.34	\$33.69	\$21.66
Jefferson City CDP	Jefferson	295	110	1.4	\$53,125	27.2	\$91.64	\$55.78	\$35.86
Jette CDP	Lake	267	103	0	\$43,889	31.5	\$75.71	\$46.08	\$29.63
Joliet town	Carbon	575	258	14.2	\$24,167	43.2	\$41.69	\$25.38	\$16.31
Joplin CDP	Liberty	210	91	4.4	\$38,281	27.7	\$66.03	\$40.20	\$25.84
Jordan town	Garfield	364	169	19.2	\$26,250	44.8	\$45.28	\$27.56	\$17.72
Judith Gap city	Wheatland	164	69	37.3	\$16,979	80.3	\$29.29	\$17.83	\$11.46
Kalispell city	Flathead	14,223	6,142	15.9	\$28,567	44.3	\$49.28	\$30.00	\$19.28
Kerr CDP	Lake	17	6	(X)	\$0	0	\$0.00	\$0.00	\$0.00
Kevin town	Toole	178	72	19.9	\$20,417	54.3	\$35.22	\$21.44	\$13.78
Kicking Horse CDP	Lake	80	27	41.8	\$28,906	45.6	\$49.86	\$30.35	\$19.51
Kings Point CDP	Lake	169	82	13.2	\$19,750	48.1	\$34.07	\$20.74	\$13.33
Klein CDP	Musselshell	188	69	11.6	\$39,792	34.2	\$68.64	\$41.78	\$26.86
Knife River CDP	Richland	297	125	15.8	\$29,792	45.3	\$51.39	\$31.28	\$20.11
Kremlin CDP	Hill	126	47	22.8	\$36,250	32.4	\$62.53	\$38.06	\$24.47
Lakeside CDP	Flathead	1,679	705	17.3	\$36,048	39	\$62.18	\$37.85	\$24.33
Lame Deer CDP	Rosebud	2,018	526	50.4	\$19,828	72.1	\$34.20	\$20.82	\$13.38
Laurel city	Yellowstone	6,255	2,529	10.8	\$32,679	48	\$56.37	\$34.31	\$22.06
Lavina town	Golden Valley	209	85	20.4	\$24,643	56	\$42.51	\$25.88	\$16.63
Lewistown city	Fergus	5,813	2,594	13.6	\$28,949	40.1	\$49.94	\$30.40	\$19.54

PLACE NAME	COUNTY	TOTAL POP.	Total Households	POVERTY RATE	MEDIAN HOUSEHOLD INCOME	LMI	Water & Wastewater	Water Only	Wastewater Only
Lewistown Heights CDP	Fergus	365	138	15.6	\$31,154	42.7	\$53.74	\$32.71	\$21.03
Libby city	Lincoln	2,626	1,132	16.3	\$24,276	55.9	\$41.88	\$25.49	\$16.39
Lima town	Beaverhead	242	109	26.8	\$20,313	60.7	\$35.04	\$21.33	\$13.71
Lincoln CDP	Lewis and Clark	1,100	480	21.2	\$26,688	56.3	\$46.04	\$28.02	\$18.01
Livingston city	Park	6,851	3,084	12.1	\$28,980	41.1	\$49.99	\$30.43	\$19.56
Lockwood CDP	Yellowstone	4,306	1,599	9.4	\$34,768	45.2	\$59.97	\$36.51	\$23.47
Lodge Grass town	Big Horn	510	147	40.3	\$22,120	58.7	\$38.16	\$23.23	\$14.93
Lodge Pole CDP	Blaine	214	59	40.9	\$21,607	67.1	\$37.27	\$22.69	\$14.58
Lolo CDP	Missoula	3,388	1,218	4.7	\$43,846	30.5	\$75.63	\$46.04	\$29.60
Loma CDP	Chouteau	92	40	17.1	\$25,208	50	\$43.48	\$26.47	\$17.02
Lonepine CDP	Sanders	137	54	6.3	\$26,250	46.8	\$45.28	\$27.56	\$17.72
Malmstrom AFB CDP	Cascade	4,544	1,310	6.2	\$31,775	46.4	\$54.81	\$33.36	\$21.45
Malta city	Phillips	2,120	907	13.1	\$31,212	35.7	\$53.84	\$32.77	\$21.07
Manhattan town	Gallatin	1,396	553	7.1	\$38,242	41.2	\$65.97	\$40.15	\$25.81
Martin City CDP	Flathead	331	142	24.4	\$21,250	52.9	\$36.66	\$22.31	\$14.34
Medicine Lake town	Sheridan	269	120	7.2	\$28,750	39.2	\$49.59	\$30.19	\$19.41
Melstone town	Musselshell	136	56	5.8	\$31,250	39.6	\$53.91	\$32.81	\$21.09
Miles City city	Custer	8,487	3,528	14.7	\$29,847	41.8	\$51.49	\$31.34	\$20.15
Missoula city	Missoula	57,053	24,141	19.7	\$30,366	N/A	\$52.38	\$31.88	\$20.50
Montana City CDP	Jefferson	2,094	697	4	\$66,027	16.4	\$113.90	\$69.33	\$44.57
Moore town	Fergus	186	83	10.6	\$25,536	44.9	\$44.05	\$26.81	\$17.24
Muddy CDP	Big Horn	627	149	59.9	\$24,688	88.6	\$42.59	\$25.92	\$16.66
Musselshell CDP	Musselshell	60	28	23.5	\$23,750	66.2	\$40.97	\$24.94	\$16.03
Nashua town	Valley	325	166	4.3	\$26,827	42.6	\$46.28	\$28.17	\$18.11
Neihart town	Cascade	91	44	21.7	\$21,458	60.2	\$37.02	\$22.53	\$14.48
Niarada CDP	Flathead, Lake & Sanders	50	18	0	\$29,583	52.4	\$51.03	\$31.06	\$19.97
North Browning CDP	Glacier	2,200	600	35.7	\$24,399	63	\$42.09	\$25.62	\$16.47
Noxon CDP	Sanders	230	104	14.7	\$30,583	36.6	\$52.76	\$32.11	\$20.64
Old Agency CDP	Sanders	95	31	53.2	\$18,750	73	\$32.34	\$19.69	\$12.66
Opheim town	Valley	111	56	7.2	\$24,583	41	\$42.41	\$25.81	\$16.59
Orchard Homes CDP	Missoula	5,199	2,034	6.7	\$40,240	38.1	\$69.41	\$42.25	\$27.16
Outlook town	Sheridan	82	35	0	\$35,000	39.1	\$60.38	\$36.75	\$23.63
Ovando CDP	Powell	71	33	21.1	\$26,250	44.7	\$45.28	\$27.56	\$17.72
Pablo CDP	Lake	1,814	622	28.1	\$26,771	60.7	\$46.18	\$28.11	\$18.07
Paradise CDP	Sanders	184	83	15.7	\$18,750	69.9	\$32.34	\$19.69	\$12.66
Park City CDP	Stillwater	870	330	8.7	\$37,266	41.7	\$64.28	\$39.13	\$25.15
Parker School CDP	Chouteau & Hill	352	78	25	\$29,167	49.8	\$50.31	\$30.63	\$19.69
Philipsburg town	Granite	914	408	19.8	\$24,559	49.2	\$42.36	\$25.79	\$16.58
Pinesdale town	Ravalli	742	139	35.2	\$26,528	76.2	\$45.76	\$27.85	\$17.91
Plains town	Sanders	1,126	472	20.3	\$26,331	48.9	\$45.42	\$27.65	\$17.77

PLACE NAME	COUNTY	TOTAL POP.	Total Households	POVERTY RATE	MEDIAN HOUSEHOLD INCOME	LMI	Water & Wastewater	Water Only	Wastewater Only
Plentywood city	Sheridan	2,061	857	16.3	\$30,037	43.5	\$51.81	\$31.54	\$20.27
Plevna town	Fallon	138	63	8.3	\$27,917	43.8	\$48.16	\$29.31	\$18.84
Polson city	Lake	4,041	1,739	19.8	\$21,870	56.1	\$37.73	\$22.96	\$14.76
Poplar city	Roosevelt	911	325	31.5	\$24,896	56.5	\$42.95	\$26.14	\$16.80
Power CDP	Teton	171	68	18.6	\$38,036	33.9	\$65.61	\$39.94	\$25.67
Pryor CDP	Big Horn	628	166	27.2	\$25,096	67.5	\$43.29	\$26.35	\$16.94
Radersburg CDP	Broadwater	70	39	15.7	\$26,786	42.9	\$46.21	\$28.13	\$18.08
Ravalli CDP	Lake	119	48	24	\$26,750	48	\$46.14	\$28.09	\$18.06
Red Lodge city	Carbon	2,177	1,020	9.7	\$31,750	36.3	\$54.77	\$33.34	\$21.43
Reed Point CDP	Stillwater	185	79	12	\$26,500	66.5	\$45.71	\$27.83	\$17.89
Reserve CDP	Sheridan	37	18	33.3	\$33,750	42.4	\$58.22	\$35.44	\$22.78
Rexford town	Lincoln	151	70	24.6	\$22,604	65.7	\$38.99	\$23.73	\$15.26
Richey town	Dawson	189	92	10	\$23,750	45.6	\$40.97	\$24.94	\$16.03
Riverbend CDP	Mineral	442	179	9.5	\$27,813	45.3	\$47.98	\$29.20	\$18.77
Rocky Point CDP	Lake	107	45	20	\$41,364	17	\$71.35	\$43.43	\$27.92
Rollins CDP	Lake	183	83	7.2	\$31,875	41	\$54.98	\$33.47	\$21.52
Ronan city	Lake	1,812	699	24.8	\$22,422	55.8	\$38.68	\$23.54	\$15.13
Roundup city	Musselshell	1,931	833	20.3	\$23,144	55.8	\$39.92	\$24.30	\$15.62
Rudyard CDP	Hill	275	126	9.9	\$28,393	43	\$48.98	\$29.81	\$19.17
Ryegate town	Golden Valley	268	113	20.2	\$26,250	46.9	\$45.28	\$27.56	\$17.72
Saco town	Phillips	224	109	14	\$23,125	57.2	\$39.89	\$24.28	\$15.61
Saddle Butte CDP	Hill	138	43	0	\$62,857	0	\$108.43	\$66.00	\$42.43
St. Ignatius town	Lake	788	307	19.5	\$25,682	51.4	\$44.30	\$26.97	\$17.34
St. Marie CDP	Valley	183	92	2.3	\$33,750	26.6	\$58.22	\$35.44	\$22.78
St. Pierre CDP	Hill	289	76	28.9	\$40,750	55.6	\$70.29	\$42.79	\$27.51
St. Regis CDP	Mineral	315	135	21	\$23,750	60.2	\$40.97	\$24.94	\$16.03
St. Xavier CDP	Big Horn	67	20	40.7	\$19,722	52	\$34.02	\$20.71	\$13.31
Sangrey CDP	Hill	263	69	57.3	\$20,089	80.1	\$34.65	\$21.09	\$13.56
Scobey city	Daniels	1,082	499	13.4	\$26,806	42.6	\$46.24	\$28.15	\$18.09
Seeley Lake CDP	Missoula	1,436	589	10.6	\$35,101	40.9	\$60.55	\$36.86	\$23.69
Shelby city	Toole	3,216	1,196	8.6	\$29,219	39.2	\$50.40	\$30.68	\$19.72
Shepherd CDP	Yellowstone	193	71	28.2	\$31,250	42.4	\$53.91	\$32.81	\$21.09
Sheridan town	Madison	659	302	25.1	\$21,118	60.4	\$36.43	\$22.17	\$14.25
Sidney city	Richland	4,774	2,006	12.7	\$32,109	38.5	\$55.39	\$33.71	\$21.67
Simms CDP	Cascade	373	148	25.4	\$28,333	53.4	\$48.87	\$29.75	\$19.12
Somers CDP	Flathead	556	233	7.6	\$30,625	45.2	\$52.83	\$32.16	\$20.67
South Browning CDP	Glacier	1,677	475	49.2	\$12,130	76.3	\$20.92	\$12.74	\$8.19
Stanford town	Judith Basin	454	210	13.8	\$22,679	48.5	\$39.12	\$23.81	\$15.31
Starr School CDP	Glacier	248	61	20.2	\$24,531	64.2	\$42.32	\$25.76	\$16.56
Stevensville town	Ravalli	1,553	652	12.8	\$27,951	48.2	\$48.22	\$29.35	\$18.87
Sunburst town	Toole	415	158	4.1	\$38,250	25.1	\$65.98	\$40.16	\$25.82
Sun Prairie CDP	Cascade	1,772	626	13.9	\$42,353	35.4	\$73.06	\$44.47	\$28.59

PLACE NAME	COUNTY	TOTAL POP.	Total Households	POVERTY RATE	MEDIAN HOUSEHOLD INCOME	LMI	Water & Wastewater	Water Only	Wastewater Only
Sun River CDP	Cascade	131	58	10.2	\$25,357	55.1	\$43.74	\$26.62	\$17.12
Superior town	Mineral	893	358	17	\$25,333	49.8	\$43.70	\$26.60	\$17.10
Terry town	Prairie	611	294	8.4	\$25,294	46.3	\$43.63	\$26.56	\$17.07
Thompson Falls city	Sanders	1,321	549	16.1	\$28,103	54.2	\$48.48	\$29.51	\$18.97
Three Forks city	Gallatin	1,728	686	7.7	\$34,212	48.1	\$59.02	\$35.92	\$23.09
Toston CDP	Broadwater	105	44	42.2	\$21,250	70.6	\$36.66	\$22.31	\$14.34
Townsend city	Broadwater	1,867	786	13.2	\$26,820	47.9	\$46.26	\$28.16	\$18.10
Trout Creek CDP	Sanders	261	109	21.1	\$26,458	50.2	\$45.64	\$27.78	\$17.86
Troy city	Lincoln	957	425	27.5	\$19,635	61.9	\$33.87	\$20.62	\$13.25
Turtle Lake CDP	Lake	194	55	54.8	\$36,250	60.3	\$62.53	\$38.06	\$24.47
Twin Bridges town	Madison	400	175	8.5	\$25,833	51.1	\$44.56	\$27.12	\$17.44
Ulm CDP	Cascade	750	254	17.8	\$40,795	34.3	\$70.37	\$42.83	\$27.54
Valier town	Pondera	498	220	8.4	\$30,000	45.4	\$51.75	\$31.50	\$20.25
Vaughn CDP	Cascade	701	264	9.8	\$31,250	41.4	\$53.91	\$32.81	\$21.09
Victor CDP	Ravalli	859	351	7.7	\$38,618	32.6	\$66.62	\$40.55	\$26.07
Virginia City town	Madison	130	72	5.7	\$30,000	30.5	\$51.75	\$31.50	\$20.25
Walkerville town	Silver Bow	714	297	12.1	\$28,009	53.8	\$48.32	\$29.41	\$18.91
Westby town	Sheridan	172	88	9.4	\$32,875	33.5	\$56.71	\$34.52	\$22.19
West Glendive CDP	Dawson	1,833	725	14.3	\$33,487	38.1	\$57.77	\$35.16	\$22.60
West Havre CDP	Hill	284	100	2	\$56,375	6.9	\$97.25	\$59.19	\$38.05
West Yellowstone town	Gallatin	1,177	518	12.9	\$30,703	49.8	\$52.96	\$32.24	\$20.72
Whitefish city	Flathead	5,032	2,229	18.2	\$33,038	39.7	\$56.99	\$34.69	\$22.30
Whitehall town	Jefferson	1,044	450	12	\$29,940	47.6	\$51.65	\$31.44	\$20.21
White Sulphur Springs city	Meagher	984	443	13.3	\$28,229	43.2	\$48.70	\$29.64	\$19.05
Wibaux town	Wibaux	567	239	10.2	\$26,518	42.1	\$45.74	\$27.84	\$17.90
Willow Creek CDP	Gallatin	209	81	14	\$32,386	56.5	\$55.87	\$34.01	\$21.86
Wilsall CDP	Park	237	102	17.9	\$29,643	45	\$51.13	\$31.13	\$20.01
Winifred town	Fergus	156	69	23.9	\$25,000	41.3	\$43.13	\$26.25	\$16.88
Winnett town	Petroleum	185	87	22.8	\$17,361	59.8	\$29.95	\$18.23	\$11.72
Winston CDP	Broadwater	73	27	0	\$14,500	34.3	\$25.01	\$15.23	\$9.79
Wisdom CDP	Beaverhead	114	61	12.9	\$24,583	46.6	\$42.41	\$25.81	\$16.59
Wolf Point city	Roosevelt	2,663	981	17.9	\$27,962	48.2	\$48.23	\$29.36	\$18.87
Woods Bay CDP	Lake	748	325	19.1	\$31,000	43.6	\$53.48	\$32.55	\$20.93
Worden CDP	Yellowstone	506	223	8.5	\$22,625	56.6	\$39.03	\$23.76	\$15.27
Wye CDP	Missoula	381	123	11	\$53,500	31.4	\$92.29	\$56.18	\$36.11
Wyola CDP	Big Horn	186	52	48	\$20,536	77.2	\$35.42	\$21.56	\$13.86

COUNTY NAME	TOTAL POP.	Total Households	POVERTY RATE	MEDIAN HOUSEHOLD INCOME	LMI	Water & Wastewater	Water Only	Wastewater Only
Beaverhead	9,202	3,684	17.1	\$28,962	43	\$49.96	\$30.41	\$19.55
Big Horn	12,671	3,924	29.2	\$27,684	54.5	\$47.75	\$29.07	\$18.69
Blaine	7,009	2,501	28.1	\$25,247	53.7	\$43.55	\$26.51	\$17.04
Broadwater	4,385	1,752	10.8	\$32,689	37.9	\$56.39	\$34.32	\$22.07
Carbon	9,552	4,065	11.6	\$32,139	37	\$55.44	\$33.75	\$21.69
Carter	1,360	543	18.1	\$26,313	47.3	\$45.39	\$27.63	\$17.76
Cascade	80,357	32,547	13.5	\$32,971	38.7	\$56.87	\$34.62	\$22.26
Chouteau	5,970	2,226	20.5	\$29,150	46.8	\$50.28	\$30.61	\$19.68
Custer	11,696	4,768	15.1	\$30,000	42.9	\$51.75	\$31.50	\$20.25
Daniels	2,017	892	16.9	\$27,306	42.5	\$47.10	\$28.67	\$18.43
Dawson	9,059	3,625	14.9	\$31,393	39.4	\$54.15	\$32.96	\$21.19
Deer Lodge	9,417	3,995	15.8	\$26,305	44.3	\$45.38	\$27.62	\$17.76
Fallon	2,837	1,140	12.5	\$29,944	43	\$51.65	\$31.44	\$20.21
Fergus	11,893	4,860	15.4	\$30,409	39.8	\$52.46	\$31.93	\$20.53
Flathead	74,471	29,588	13	\$34,466	38.7	\$59.45	\$36.19	\$23.26
Gallatin	67,831	26,323	12.8	\$38,120	38.7	\$65.76	\$40.03	\$25.73
Garfield	1,279	532	21.5	\$25,917	49.9	\$44.71	\$27.21	\$17.49
Glacier	13,247	4,304	27.3	\$27,921	53.7	\$48.16	\$29.32	\$18.85
Golden Valley	1,042	365	25.8	\$27,308	48.5	\$47.11	\$28.67	\$18.43
Granite	2,830	1,200	16.8	\$27,813	43.4	\$47.98	\$29.20	\$18.77
Hill	16,673	6,457	18.4	\$30,781	42.1	\$53.10	\$32.32	\$20.78
Jefferson	10,049	3,747	9	\$41,506	37.8	\$71.60	\$43.58	\$28.02
Judith Basin	2,329	951	21.1	\$29,241	44	\$50.44	\$30.70	\$19.74
Lake	26,507	10,192	18.7	\$28,740	47.7	\$49.58	\$30.18	\$19.40
Lewis and Clark	55,716	22,850	10.9	\$37,360	39.5	\$64.45	\$39.23	\$25.22
Liberty	2,158	833	20.3	\$30,284	43.4	\$52.24	\$31.80	\$20.44
Lincoln	18,837	7,764	19.2	\$26,754	47.7	\$46.15	\$28.09	\$18.06
McCone	1,977	810	16.8	\$29,718	41	\$51.26	\$31.20	\$20.06
Madison	6,851	2,956	12.1	\$30,233	41.6	\$52.15	\$31.74	\$20.41
Meagher	1,932	803	18.9	\$29,375	43.7	\$50.67	\$30.84	\$19.83
Mineral	3,884	1,584	15.8	\$27,143	47	\$46.82	\$28.50	\$18.32
Missoula	95,802	38,439	14.8	\$34,454	35.7	\$59.43	\$36.18	\$23.26
Musselshell	4,497	1,878	19.9	\$25,527	49.9	\$44.03	\$26.80	\$17.23
Park	15,694	6,828	11.4	\$31,739	39.3	\$54.75	\$33.33	\$21.42
Petroleum	493	211	23.2	\$24,107	49.3	\$41.58	\$25.31	\$16.27
Phillips	4,601	1,848	18.3	\$28,702	43.8	\$49.51	\$30.14	\$19.37
Pondera	6,424	2,410	18.8	\$30,464	45.7	\$52.55	\$31.99	\$20.56
Powder River	1,858	737	12.9	\$28,398	44.1	\$48.99	\$29.82	\$19.17

COUNTY NAME	TOTAL POP.	Total Households	POVERTY RATE	MEDIAN HOUSEHOLD INCOME	LMI	Water & Wastewater	Water Only	Wastewater Only
Powell	7,180	2,422	12.6	\$30,625	41.9	\$52.83	\$32.16	\$20.67
Prairie	1,199	537	17.2	\$25,451	48.7	\$43.90	\$26.72	\$17.18
Ravalli	36,070	14,289	13.8	\$31,992	39.1	\$55.19	\$33.59	\$21.59
Richland	9,667	3,878	12.2	\$32,110	39.2	\$55.39	\$33.72	\$21.67
Roosevelt	10,620	3,581	32.4	\$24,834	57.5	\$42.84	\$26.08	\$16.76
Rosebud	9,383	3,307	22.4	\$35,898	44.4	\$61.92	\$37.69	\$24.23
Sanders	10,227	4,273	17.2	\$26,852	48.9	\$46.32	\$28.19	\$18.13
Sheridan	4,105	1,741	14.7	\$29,518	43.3	\$50.92	\$30.99	\$19.92
Silver Bow	34,606	14,432	14.9	\$30,402	40.8	\$52.44	\$31.92	\$20.52
Stillwater	8,195	3,234	9.8	\$39,205	37.9	\$67.63	\$41.17	\$26.46
Sweet Grass	3,609	1,476	11.4	\$32,422	38.5	\$55.93	\$34.04	\$21.88
Teton	6,445	2,538	16.6	\$30,197	42.5	\$52.09	\$31.71	\$20.38
Toole	5,267	1,962	12.9	\$30,169	40.3	\$52.04	\$31.68	\$20.36
Treasure	861	357	14.7	\$29,830	41.5	\$51.46	\$31.32	\$20.14
Valley	7,675	3,150	13.5	\$30,979	39.1	\$53.44	\$32.53	\$20.91
Wheatland	2,259	853	20.4	\$24,492	50	\$42.25	\$25.72	\$16.53
Wibaux	1,068	421	15.3	\$28,224	43.8	\$48.69	\$29.64	\$19.05
Yellowstone	129,352	52,084	11.1	\$36,727	37.8	\$63.35	\$38.56	\$24.79

APPENDIX K

CDBG BENEFIT TO LOW AND MODERATE INCOME (LMI) FOR PUBLIC FACILITY PROJECTS

Each applicant must document in its application that a minimum of 51 percent of the non-administrative funds requested for a CDBG project will be used for activities that are clearly designed to meet identified needs of persons of low and moderate income in the area. Applicants must also demonstrate that any activities proposed will not benefit moderate-income persons in a manner that would exclude or discriminate against low-income persons.

To reflect Congress' intent that CDBG funds principally benefit low and moderate-income families, this criterion assigns points based on the percentage of CDBG funds that will assist low and moderate-income persons. The percentage of benefit to low and moderate income is determined by dividing the total amount of non-administrative CDBG funds proposed to be used to principally benefit low and moderate-income households by the total amount of non-administrative CDBG funds requested by the applicant. (The procedure for calculating this percentage is described in detail in the MDOC handbook *Documenting Benefit to Low and Moderate Income Persons.*)

In addition to a narrative response that describes how the proposed project will principally benefit LMI persons, applicants must provide a completed copy of the Benefit to LMI Form that appears at the end of this exhibit (page K-5).

Compliance with the benefit to low to moderate-income (LMI) requirement is calculated on an activity-by-activity basis. The following general guidelines can be used to determine which projects or activities will be considered as principally benefiting LMI households:

- The project has income eligibility requirements that limit the benefits of the activity to LMI persons, such as housing assistance which is provided only to low or moderate income families or the payment of assessments levied against properties owned by low or moderate income families as part of a public facilities project.
- The project serves an area, and principally benefits persons, where at least 51 percent of the residents are LMI and provides services for such LMI persons, such as a community sewer project.
- The project involves facilities designed for use predominately by LMI persons (e.g., transitional housing, homeless shelters).

Applicants proposing to use CDBG funds for area wide activities (such as community-wide public facility activities) must provide data to demonstrate that at least 51 percent of the persons who would benefit from CDBG assistance have low or moderate incomes.

MDOC will evaluate how CDBG financial participation in a public facility project will actually benefit LMI residents. For example, installing new water lines in a neighborhood that consists predominantly of LMI families would not be considered to be principally benefiting LMI if the practical result would be lower water rates community-wide. In such a case, the community's overall percentage of LMI would be used to score LMI benefit since all of the community's residents would share in the financial benefits from the CDBG assistance.

Local Income Surveys

Applicants intending to conduct local surveys of household income must utilize the appropriate HUD income levels established for their county and follow the guidance presented in the current edition of the MDOC handbook *Documenting Benefit to Low and Moderate Income Persons*. A checklist is provided on the following page to assist applicants in complying with CDBG LMI requirements. **The income survey methodology must be described and a copy of the survey form with a composite summary of all responses must be submitted with the CDBG application.** An applicant's failure to assure a statistically valid and sufficiently random sample for a local income survey will be considered sufficient grounds to discount claims made for percentage of benefit to LMI persons during the application review process.

MDOC will not accept the results from a local income survey for ranking purposes unless the applicant adequately describes the survey methodology used and adequately documents that the methodology meets the CDBG requirements, including:

- 1. use of correct LMI income levels**
- 2. use of an acceptable survey format**
- 3. meeting minimum sample size, and**
- 4. survey sample was either truly random OR the total population was surveyed.**

Before conducting a local income survey, CDBG applicants should submit a draft of the survey form they intend to use to MDOC CDBG staff for their review to assure that the results of the survey will be acceptable for ranking purposes.

All original income documentation must be retained by the applicant and must be available for review and verification if the application is selected for funding. The lack of adequate documentation to substantiate compliance with the LMI benefit requirement is considered sufficient grounds for the Department to withdraw a grant award.

The MDOC *Documenting Benefit to Low and Moderate Income Persons* includes a table that lists LMI percentages for all Montana counties, cities, and towns as calculated from 2000 census data by the U.S. Department of Housing and Urban Development (HUD). **In order to assure fairness and statistically valid claims for LMI benefit, CDBG staff will closely review any local LMI survey results that vary more than 15 percent from the HUD LMI Data.** However, for some applicants, there is no census data currently available for the specific project area, except to use census data for the entire county or city. Use of census data for the entire county or city may not accurately reflect the economic

condition of households within the project area. Examples of applicants that are not likely to have census data currently available for the specific project area would be county water and sewer districts or a project that encompasses a particular neighborhood within a city.

As a result, for projects that do not have census data currently available, CDBG will compute the MHI, LMI and Poverty statistics by using data for the smallest geographical census area that encompasses the proposed project area. Upon request, CDBG staff will compute the MHI, LMI and Poverty statistics for the project area and determine the local government's target rate. Potential applicants will need to provide a map clearly showing the boundaries of the project area along with any other references, such as roads and rivers that would help to locate the project area on the census maps.

In 1999, MDOC worked with cooperating county governments to define the boundaries of unincorporated communities throughout Montana, such as county water and sewer districts. Many of these new "census designated places" were included in the 2000 Census, which has resulted in census data already being available for these areas in the future.

Applicants should determine their funding needs based upon the most current income data and target rate, which will most likely still be the 2000 Census data.

For further information on Census data, contact the MDOC Census and Economic Information Center at (telephone) 841-2740.

CDBG Benefit Low and Moderate Income (LMI) Form

The following form should be used by applicants to document compliance with the CDBG requirements:

Benefit to Low and Moderate Income Persons.

The calculation of benefit to low and moderate income households or persons is a two-stage process. First, the percentage of benefit to low and moderate income households or persons must be calculated for each activity. Then these percentages must be applied to the CDBG funds requested for each activity to get the total number of dollars that will benefit low and moderate income households or persons. Each step in the calculation is described below.

Applicants should use the form on page K-5 to describe the total CDBG dollar and percentage benefit that will result from their proposed projects. Either households or persons may be used as the basis for calculation as long as the method selected is consistent with the method used to verify the household income levels.

1. In column A, describe the activity by name, such as "Reconstruct the Wastewater Treatment Facility" or "Final Engineering Design". Do not include administrative activities. The activities should be the same as shown on the application budget form under "ACTIVITY."
2. In column B, show the total number of households that the activity will serve.
3. In column C, show the number of low and moderate-income households that the activity will serve.
4. In column D, show the percentage of low and moderate-income households that the activity will serve. This is derived by dividing the number in column C by the number in column B for that activity.
5. In column E, show the total amount of CDBG funds requested for the activity. This should be the same as shown on the application budget form under "ACTIVITY."
6. In column F, show the amount of those funds that will be used to benefit low and moderate income households. This is derived by multiplying column E by the percentage in column D.
7. At the bottom of column E, show the total amount of non-administrative CDBG funds by adding up the CDBG funds requested for each activity.
8. At the bottom of column F, show the total amount of funds that will be used to benefit low and moderate-income households by adding up the amount of funds to benefit low and moderate-income households for each activity.
9. Determine overall benefit by dividing the total of column F by the total of column E to get the total CDBG project benefit to low and moderate-income households. include percentage at bottom of form.

APPENDIX K

LMI FORM

A	B	C	D	E	F
ACTIVITY DESCRIPTION (Do not include administrative activities) Indicate whether calculations are shown for Households [H_] or Persons [P_]	# OF HOUSEHOLDS OR PERSONS ACTIVITY WILL SERVE	# OF LMI HOUSEHOLDS OR PERSONS ACTIVITY WILL SERVE	% OF LMI HOUSEHOLDS OR PERSONS ACTIVITY WILL SERVE	AMOUNT OF CDBG FUNDS FOR ACTIVITY	AMOUNT OF CDBG FUNDS TO BENEFIT LMI
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
				TOTAL \$	TOTAL \$

OVERALL PERCENT BENEFIT TO LMI HOUSEHOLDS = $\frac{\text{Column F}}{\text{Column E}}$ = _____%

APPENDIX L

2005 HUD Income Limits

STATE: MONTANA

-----INCOME LIMITS BY COUNTY-----

	PROGRAM	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
Billings, MT MSA									
FY 2005 MFI: 53850									
	LOW INCOME	18850	21550	24250	26950	29100	31250	33400	35550
	MODERATE INCOME	30200	34500	38800	43100	46550	50000	53450	56900
Great Falls, MT MSA									
FY 2005 MFI: 47250									
	LOW INCOME	16550	18900	21250	23650	25500	27400	29300	31200
	MODERATE INCOME	26500	30250	34050	37850	40850	43900	46900	49950
Missoula, MT MSA									
FY 2005 MFI: 53450									
	LOW INCOME	18700	21400	24050	26750	28850	31000	33150	35300
	MODERATE INCOME	29950	34250	38500	42800	46200	49650	53050	56500
Beaverhead County									
FY 2005 MFI: 46300									
	LOW INCOME	16250	18550	20900	23200	25050	26900	28750	30600
	MODERATE INCOME	26000	29700	33400	37100	40100	43050	46050	49000
Big Horn County									
FY 2005 MFI: 36950									
	LOW INCOME	16250	18550	20900	23200	25050	26900	28750	30600
	MODERATE INCOME	26000	29700	33400	37100	40100	43050	46050	49000
Blaine County									
FY 2005 MFI: 36800									
	LOW INCOME	16250	18550	20900	23200	25050	26900	28750	30600
	MODERATE INCOME	26000	29700	33400	37100	40100	43050	46050	49000
Broadwater County									
FY 2005 MFI: 43100									
	LOW INCOME	16250	18550	20900	23200	25050	26900	28750	30600
	MODERATE INCOME	26000	29700	33400	37100	40100	43050	46050	49000
Carbon County									
FY 2005 MFI: 45400									
	LOW INCOME	16250	18550	20900	23200	25050	26900	28750	30600
	MODERATE INCOME	26000	29700	33400	37100	40100	43050	46050	49000
Carter County									
FY 2005 MFI: 38550									
	LOW INCOME	16250	18550	20900	23200	25050	26900	28750	30600
	MODERATE INCOME	26000	29700	33400	37100	40100	43050	46050	49000

STATE: MONTANA

-----INCOME LIMITS BY COUNTY-----

	PROGRAM	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
Chouteau County									
FY 2005 MFI: 38250									
	LOW INCOME	16250	18550	20900	23200	25050	26900	28750	30600
	MODERATE INCOME	26000	29700	33400	37100	40100	43050	46050	49000
Custer County									
FY 2005 MFI: 46100									
	LOW INCOME	16250	18550	20900	23200	25050	26900	28750	30600
	MODERATE INCOME	26000	29700	33400	37100	40100	43050	46050	49000
Daniels County									
FY 2005 MFI: 42050									
	LOW INCOME	16250	18550	20900	23200	25050	26900	28750	30600
	MODERATE INCOME	26000	29700	33400	37100	40100	43050	46050	49000
Dawson County									
FY 2005 MFI: 46050									
	LOW INCOME	16250	18550	20900	23200	25050	26900	28750	30600
	MODERATE INCOME	26000	29700	33400	37100	40100	43050	46050	49000
Deer Lodge County									
FY 2005 MFI: 42650									
	LOW INCOME	16250	18550	20900	23200	25050	26900	28750	30600
	MODERATE INCOME	26000	29700	33400	37100	40100	43050	46050	49000
Fallon County									
FY 2005 MFI: 45650									
	LOW INCOME	16250	18550	20900	23200	25050	26900	28750	30600
	MODERATE INCOME	26000	29700	33400	37100	40100	43050	46050	49000
Fergus County									
FY 2005 MFI: 43450									
	LOW INCOME	16250	18550	20900	23200	25050	26900	28750	30600
	MODERATE INCOME	26000	29700	33400	37100	40100	43050	46050	49000
Flathead County									
FY 2005 MFI: 48300									
	LOW INCOME	16900	19300	21750	24150	26100	28000	29950	31900
	MODERATE INCOME	27050	30900	34800	38650	41750	44800	47900	51000
Gallatin County									
FY 2005 MFI: 56000									
	LOW INCOME	19600	22400	25200	28000	30250	32500	34700	36950
	MODERATE INCOME	31350	35850	40300	44800	48400	51950	55550	59150
Garfield County									
FY 2005 MFI: 36400									
	LOW INCOME	16250	18550	20900	23200	25050	26900	28750	30600
	MODERATE INCOME	26000	29700	33400	37100	40100	43050	46050	49000

STATE: MONTANA

-----INCOME LIMITS BY COUNTY-----

	PROGRAM	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
Glacier County									
FY 2005 MFI: 37400									
	LOW INCOME	16250	18550	20900	23200	25050	26900	28750	30600
	MODERATE INCOME	26000	29700	33400	37100	40100	43050	46050	49000
Golden Valley County									
FY 2005 MFI: 42000									
	LOW INCOME	16250	18550	20900	23200	25050	26900	28750	30600
	MODERATE INCOME	26000	29700	33400	37100	40100	43050	46050	49000
Granite County									
FY 2005 MFI: 39850									
	LOW INCOME	16250	18550	20900	23200	25050	26900	28750	30600
	MODERATE INCOME	26000	29700	33400	37100	40100	43050	46050	49000
Hill County									
FY 2005 MFI: 45450									
	LOW INCOME	16250	18550	20900	23200	25050	26900	28750	30600
	MODERATE INCOME	26000	29700	33400	37100	40100	43050	46050	49000
Jefferson County									
FY 2005 MFI: 57650									
	LOW INCOME	20200	23050	25950	28850	31150	33450	35750	38050
	MODERATE INCOME	32300	36950	41550	46150	49850	53550	57250	60950
Judith Basin County									
FY 2005 MFI: 41050									
	LOW INCOME	16250	18550	20900	23200	25050	26900	28750	30600
	MODERATE INCOME	26000	29700	33400	37100	40100	43050	46050	49000
Lake County									
FY 2005 MFI: 40800									
	LOW INCOME	16250	18550	20900	23200	25050	26900	28750	30600
	MODERATE INCOME	26000	29700	33400	37100	40100	43050	46050	49000
Lewis and Clark County									
FY 2005 MFI: 55750									
	LOW INCOME	19500	22300	25100	27900	30100	32350	34550	36800
	MODERATE INCOME	31250	35700	40200	44650	48200	51800	55350	58900
Liberty County									
FY 2005 MFI: 45200									
	LOW INCOME	16250	18550	20900	23200	25050	26900	28750	30600
	MODERATE INCOME	26000	29700	33400	37100	40100	43050	46050	49000
Lincoln County									
FY 2005 MFI: 37700									
	LOW INCOME	16250	18550	20900	23200	25050	26900	28750	30600
	MODERATE INCOME	26000	29700	33400	37100	40100	43050	46050	49000

STATE: MONTANA

-----INCOME LIMITS BY COUNTY-----

	PROGRAM	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
McCone County									
FY 2005 MFI: 42300									
	LOW INCOME	16250	18550	20900	23200	25050	26900	28750	30600
	MODERATE INCOME	26000	29700	33400	37100	40100	43050	46050	49000
Madison County									
FY 2005 MFI: 42450									
	LOW INCOME	16250	18550	20900	23200	25050	26900	28750	30600
	MODERATE INCOME	26000	29700	33400	37100	40100	43050	46050	49000
Meagher County									
FY 2005 MFI: 40100									
	LOW INCOME	16250	18550	20900	23200	25050	26900	28750	30600
	MODERATE INCOME	26000	29700	33400	37100	40100	43050	46050	49000
Mineral County									
FY 2005 MFI: 38000									
	LOW INCOME	16250	18550	20900	23200	25050	26900	28750	30600
	MODERATE INCOME	26000	29700	33400	37100	40100	43050	46050	49000
Musselshell County									
FY 2005 MFI: 38300									
	LOW INCOME	16250	18550	20900	23200	25050	26900	28750	30600
	MODERATE INCOME	26000	29700	33400	37100	40100	43050	46050	49000
Park County									
FY 2005 MFI: 48000									
	LOW INCOME	16800	19200	21600	24000	25900	27850	29750	31700
	MODERATE INCOME	26900	30700	34550	38400	41450	44550	47600	50700
Petroleum County									
FY 2005 MFI: 37700									
	LOW INCOME	16250	18550	20900	23200	25050	26900	28750	30600
	MODERATE INCOME	26000	29700	33400	37100	40100	43050	46050	49000
Phillips County									
FY 2005 MFI: 44050									
	LOW INCOME	16250	18550	20900	23200	25050	26900	28750	30600
	MODERATE INCOME	26000	29700	33400	37100	40100	43050	46050	49000
Pondera County									
FY 2005 MFI: 43400									
	LOW INCOME	16250	18550	20900	23200	25050	26900	28750	30600
	MODERATE INCOME	26000	29700	33400	37100	40100	43050	46050	49000
Powder River County									
FY 2005 MFI: 41000									
	LOW INCOME	16250	18550	20900	23200	25050	26900	28750	30600
	MODERATE INCOME	26000	29700	33400	37100	40100	43050	46050	49000

STATE: MONTANA

-----INCOME LIMITS BY COUNTY-----

	PROGRAM	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
Powell County									
FY 2005 MFI: 42350									
	LOW INCOME	16250	18550	20900	23200	25050	26900	28750	30600
	MODERATE INCOME	26000	29700	33400	37100	40100	43050	46050	49000
Prairie County									
FY 2005 MFI: 38250									
	LOW INCOME	16250	18550	20900	23200	25050	26900	28750	30600
	MODERATE INCOME	26000	29700	33400	37100	40100	43050	46050	49000
Ravalli County									
FY 2005 MFI: 45600									
	LOW INCOME	16250	18550	20900	23200	25050	26900	28750	30600
	MODERATE INCOME	26000	29700	33400	37100	40100	43050	46050	49000
Richland County									
FY 2005 MFI: 46600									
	LOW INCOME	16300	18650	20950	23300	25150	27050	28900	30750
	MODERATE INCOME	26100	29800	33550	37300	40250	43250	46250	49200
Roosevelt County									
FY 2005 MFI: 33200									
	LOW INCOME	16250	18550	20900	23200	25050	26900	28750	30600
	MODERATE INCOME	26000	29700	33400	37100	40100	43050	46050	49000
Rosebud County									
FY 2005 MFI: 49550									
	LOW INCOME	17350	19800	22300	24800	26750	28750	30700	32700
	MODERATE INCOME	27800	31750	35700	39700	42850	46050	49200	52400
Sanders County									
FY 2005 MFI: 37100									
	LOW INCOME	16250	18550	20900	23200	25050	26900	28750	30600
	MODERATE INCOME	26000	29700	33400	37100	40100	43050	46050	49000
Sheridan County									
FY 2005 MFI: 41400									
	LOW INCOME	16250	18550	20900	23200	25050	26900	28750	30600
	MODERATE INCOME	26000	29700	33400	37100	40100	43050	46050	49000
Silver Bow County									
FY 2005 MFI: 47250									
	LOW INCOME	16550	18900	21250	23650	25500	27400	29300	31200
	MODERATE INCOME	26500	30250	34050	37850	40850	43900	46900	49950
Stillwater County									
FY 2005 MFI: 58900									
	LOW INCOME	20600	23550	26500	29450	31800	34150	36500	38850
	MODERATE INCOME	33000	37700	42400	47100	50900	54650	58450	62200

STATE: MONTANA

-----INCOME LIMITS BY COUNTY-----

	PROGRAM	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
Sweet Grass County									
FY 2005 MFI: 45850									
	LOW INCOME	16250	18550	20900	23200	25050	26900	28750	30600
	MODERATE INCOME	26000	29700	33400	37100	40100	43050	46050	49000
Teton County									
FY 2005 MFI: 43650									
	LOW INCOME	16250	18550	20900	23200	25050	26900	28750	30600
	MODERATE INCOME	26000	29700	33400	37100	40100	43050	46050	49000
Toole County									
FY 2005 MFI: 47300									
	LOW INCOME	16550	18900	21300	23650	25550	27450	29350	31200
	MODERATE INCOME	26500	30250	34050	37850	40850	43900	46900	49950
Treasure County									
FY 2005 MFI: 40500									
	LOW INCOME	16250	18550	20900	23200	25050	26900	28750	30600
	MODERATE INCOME	26000	29700	33400	37100	40100	43050	46050	49000
Valley County									
FY 2005 MFI: 46650									
	LOW INCOME	16350	18650	21000	23350	25200	27050	28900	30800
	MODERATE INCOME	26150	29900	33600	37350	40350	43350	46350	49300
Wheatland County									
FY 2005 MFI: 38350									
	LOW INCOME	16250	18550	20900	23200	25050	26900	28750	30600
	MODERATE INCOME	26000	29700	33400	37100	40100	43050	46050	49000
Wibaux County									
FY 2005 MFI: 40850									
	LOW INCOME	16250	18550	20900	23200	25050	26900	28750	30600
	MODERATE INCOME	26000	29700	33400	37100	40100	43050	46050	49000

APPENDIX M

SAMPLE MANAGEMENT PLAN FORMAT AND IMPLEMENTATION SCHEDULE FOR A PUBLIC FACILITIES PROJECT ADMINISTERED BY LOCAL STAFF

Note - With minor changes, the following sample management plan can also be adapted for a public facilities project to be administered by a consultant. The fourth paragraph that refers to designating the local staff person as project manager can be revised to state that a consultant can be designated as project manager and will be responsible for overall project management.

I. Administrative Structure

The City of _____ is an incorporated city with a Mayor-Council form of government. The following persons will have lead responsibility for administering the City's FY ____ Community Development Block Grant (CDBG) public facilities project for water improvements:

Mayor _____, as the City's chief elected official will have responsibility for all official contacts with the Montana Department of Commerce (MDOC). The Mayor and City Council will have ultimate authority and responsibility for the management of project activities and expenditure of CDBG funds. The approval of all contracts and draw-down requests will be the responsibility of the City Council.

_____, Clerk-Treasurer, as the City's chief financial officer, will be responsible for management of, and record keeping for, the CDBG funds and other funds involved in the financing of the water project. One-fourth of this position's time will be devoted to CDBG administration during the term of the project.

_____, Planning Director, will be designated as Project Manager and be responsible for overall project management and assuring compliance with applicable federal and State requirements for the CDBG project. The Project Manager will serve as the City's liaison with MDOC for the project. One-third of this position's time will be devoted to CDBG administration during the term of the project.

_____, City Attorney, as the City's legal counsel, will review and advise the Mayor and Council regarding any proposed contractual agreements associated with the CDBG project and provide any other legal guidance as requested.

_____, Project Engineer (a contracted service position), will be responsible for construction-related activities including preparation of preliminary engineering, final design plans and specifications, as well as construction inspection. Contractor compliance, scheduling, and payment requests will also be subject to the Project Engineer's review and approval.

The Mayor, Clerk-Treasurer, and Planning Director will attend the MDOC CDBG Project Administration Workshop.

II. Project Management

A. The Project Manager will be responsible for:

1. Preparing the environmental review to assure full compliance with the National and Montana Environmental Policy Acts, completion of the statutory checklist, and any other applicable environmental requirements. The Project Manager will also be responsible for preparing any legal notices required to be published for the environmental review process and conducting any required public hearings or informational meetings.
2. Preparing a request for release of funds to MDOC.
3. Developing a contract with MDOC and assisting the City with all requirements related to effective project start-up and implementation.
4. Establishing and maintaining complete and accurate project files and preparing all documentation, quarterly project progress reports, and reports incidental to administration of the grant.
5. Assisting the City with selection of the Project Engineer, in conformance with CDBG procurement requirements, including the preparation of requests for proposals for publication or other distribution.
6. Reviewing all proposed project expenditures or requests for payment to ensure their propriety and proper allocation of expenditures to the CDBG budget.
7. In cooperation with the Clerk-Treasurer, processing payment requests and preparing draw-down requests to MDOC, including the Request for Payment and Status of Funds Reports and required Project Progress Reports.
8. Monitoring the contractor selection process, including the bid advertising, tabulation and award process for conformance to CDBG requirements. The manager will review the construction contract provisions for CDBG compliance and will request MDOC clearance of the lowest and second lowest bidders before a contract is awarded.
9. Attending the pre-construction conference and monthly construction progress meetings.
10. Monitoring contractor compliance with applicable requirements.
11. Assuring compliance with all labor requirements. Responsibilities will include the review of weekly payroll reports to assure

compliance with Davis-Bacon prevailing wage requirements; periodic visits to the construction site to assure that required equal opportunity, labor standards, and Davis-Bacon wage determinations have been posted; and conducting on-site interviews with construction personnel to assure Davis-Bacon compliance.

12. Assuring compliance with applicable civil rights requirements, including equal opportunity, fair housing, Hatch Act, and ADA handicapped accessibility evaluation.
13. Supervising the delivery of CDBG financial assistance to low and moderate-income households such as water service hookup and meter installation (if applicable).
14. Preparing all required performance reports and closeout documents for submittal to MDOC, and assist the City with the selection of an independent auditor.
15. Attending City Council meetings to provide project status reports and representing the CDBG project at any other public meetings, as deemed necessary by the Mayor.

B. The Project Engineer will be responsible for:

1. Design and construction engineering.
2. Acquisition of all necessary land and easements.
3. Preparation of the construction bid package in conformance with applicable CDBG requirements and supervision of the bid advertising, tabulation, and award process, including the preparation of the advertisements for bid solicitation, conducting the bid opening, and issuance of the notice to proceed.
4. Conducting the pre-construction conference, with the assistance of the project manager.
5. Supervision of construction work and preparation of inspection reports.
6. Reviewing and approving all contractor requests for payment and submitting the approved requests to the City.

III. Financial Management

A. The Clerk-Treasurer's responsibilities will be as follows:

1. Establishing the CDBG bank account and transferring CDBG funds from that account to the town's treasury for disbursements,

based on claims and supporting documents approved by the project manager, project engineer, and contractor. Since the City uses an interest bearing account for its general disbursements, a separate non-interest bearing account will be used for CDBG funds. Balances in that account will not exceed \$5,000 for a period of three days.

2. Entering all project transactions into the City's existing accounting system (BARS), and prepare checks/warrants for approved expenditures.
 3. With the assistance of the Project Manager, preparing the Requests for Payment and Status of Funds Report (i.e., drawdown requests) to be submitted to MDOC. All drawdown requests will be signed by two of the three following persons: Mayor, Clerk-Treasurer, and Council President. No expenditures will be made without the approval of the Council at a regular meeting.
 4. With the assistance of the Project Manager, preparing the final financial reports for project closeout.
- B. The Project Manager and Clerk-Treasurer will review all proposed expenditures of CDBG funds and will prepare drawdown requests, which will be signed by the officials cited above. All disbursements will be handled in accordance with the City's established claim review procedures. Before submitting the claim to the Clerk-Treasurer, the Project Manager will attach a certification to each claim stating that the proposed expenditure is an eligible expense of the City's CDBG project and consistent with the project budget. The Council will review all claims before approving them.
- C. Financial record keeping will be done in conformance with the recommendations of MDOC as described in Chapter 4 of the CDBG Administration Manual. The original financial documents (claims with attached supporting material) will be retained in the City's offices.
- D. Hourly time sheets will be maintained by the Project Manager and the Clerk/Treasurer to document all time worked on the CDBG project.

Following is a project implementation schedule that is based on quarterly milestones.

QUARTERLY PROJECT IMPLEMENTATION SCHEDULE
(CDBG Applicants can adapt this form for their projects.)

	2005	QUARTERS, 2006				QUARTERS, 2007			
TASK	4th	1st	2nd	3rd	4th	1st	2nd	3rd	4th
<u>PROJECT START UP</u>									
Sign contract with MDOC/CDBG.		X							
CDBG authorization to incur costs (.../.../04).	X								
Attend CDBG grant administration workshop.	X								
Conduct environmental review and cultural resource survey.		X							
Secure CDBG's Environmental Release of Funds.			X						
Secure approval of other funding.			X						
Identify audit requirements and establish audit schedule for the project's duration.		X							
Submit progress reports and drawdown requests. (Progress reports quarterly if no draw is submitted).		X	X	X	X	X	X	X	X
<u>PROJECT DESIGN</u>	4th 2005	1st 2006	2nd	3rd	4th	1st 2007	2nd	3rd	4th
Advertise for and select engineer.			X						
Commence design.			X						
Complete project design.				X					
Prepare construction bid documents.				X					
Secure CDBG's and other agencies' approval of bid documents.				X					
Finalize acquisition				X					
<u>ADVERTISEMENT FOR CONSTRUCTION BIDS</u>	4th 2005	1st 2006	2nd	3rd	4th	1st 2007	2nd	3rd	4th
Review contract requirements.				X					
Public bid advertisement.					X				
Open bids/ examine proposals.					X				
Request CDBG debarment / eligibility review of selected contractor (lowest responsible bidder) and subcontractors.					X				
Award contract to selected contractor.					X				

<u>PROJECT CONSTRUCTION</u>	4th 2005	1st 2006	2nd	3rd	4th	1st 2007	2nd	3rd	4th
Conduct pre-construction conference.					X				
Issue the Notice to Proceed.					X				
Begin construction.					X				
Monitor engineer and other contractors.					X	X	X	X	X
Conduct labor compliance reviews:									
... Weekly payroll reviews					X	X	X	X	
... Contractors' employee interviews					X	X	X	X	
Hold construction progress meetings.									
Final Inspection.									X
<u>PROJECT CLOSE OUT</u>	4th 2005	1st 2006	2nd	3rd	4th	1st 2007	2nd	3rd	4th
CDBG staff conduct on-site monitoring of the project.								X	
Submit CDBG project completion report.									X
Submit CDBG <u>conditional</u> closeout certification.									X
Include project in audits (FY 2005, 2006)									X
Submit CDBG <u>final</u> closeout certification, audits and final drawdown.									X

APPENDIX N

SPECIAL REQUIREMENTS FOR PROJECTS INVOLVING NON-PROFIT OR FOR-PROFIT ORGANIZATIONS

Local governments can apply on behalf of private non-profit organizations such as a local economic development corporation, senior citizen organization, area agency on aging, HRDC, etc., and for-profit entities that commit to serving citizens that are low and moderate income. Non-profit organizations may acquire title to public facilities such as senior centers, centers for the handicapped, or Head Start Centers. When such facilities are owned by non-profit organizations, they must be open for use by the general public during all normal hours of operation. Non-profit and for-profit organizations may also be involved in the rehabilitation or construction of new permanent residential structures for low and moderate-income persons.

A. Non-profit Organization Defined

Any non-profit organization to be assisted with CDBG funds must be incorporated under Montana law and recognized as a non-profit, 501 (c) tax exempt, organization under U.S. Internal Revenue Service (IRS) regulations.

B. Nondiscrimination

Any non-profit or for-profit organization to be assisted with CDBG funds must agree to provide its services or operate its facilities without discrimination, in accordance with the civil rights laws and regulations of the United States and the State of Montana. These laws and regulations prohibit any discrimination on the basis of race, color, national origin, sex, religion, handicap, age, or family status (families with children). Any organization receiving CDBG assistance must also carry out equal employment opportunity hiring practices.

C. Operating Plan for Non-profit or For-Profit Organization

Each applicant must submit an operating plan for any non-profit or for-profit organization that it proposes to assist. Each operating plan must include the following elements with sufficient detail for adequate analysis:

1. Description of Organization

Describe the purpose and history of the organization or company. Include a copy of the organization's bylaws.

2. Services Provided

Describe the services provided, geographic service area and potential for expansion of services provided or the service area. Describe the target population served (age, sex, special needs, etc.). The operating plan should describe in detail how the CDBG project will affect the services to be provided and how the organization and its members or clientele will be affected if CDBG funds are not received.

3. Management

Provide the names, titles, and brief description of the background and management experience of the persons responsible for management of the organization, company or project, as well as the members of the organization's board of directors or principals. Describe how the organization's finances are managed and whether they are formally reviewed on a regular basis.

4. Sources and Uses of All Funding

Provide a line item description of the sources, proposed uses, and financial terms for all funds to be included in the project. The description should clearly justify the amount of CDBG assistance applied for and explain the intended use of the funds. Use the form provided in UNI-AP part C.

D. Financial Exhibits

The non-profit or for-profit organization must be able to demonstrate that projected income will be sufficient to cover any projected debt service and current and projected operating costs, including long-term operation and maintenance. Each applicant submitting an application on behalf of a non-profit or for-profit organization must include the following financial exhibits with the application:

1. Financial Statements

For existing organizations, provide financial statements for the three most recent years of operation including a balance sheet describing assets and liabilities, profit and loss statements, a revenue and expense statement, and cash flow statements as applicable to the type of organization.

Financial statements, compiled or reviewed by an independent certified public accountant with full disclosure notes are required for businesses or organizations that have been in operation for more than one complete fiscal year. All financial information must be signed by a responsible officer for the organization.

2. Income and Expense Projections

Adequate income projections are necessary to demonstrate the long-term financial soundness of the project. The organization must provide projected balance sheet and revenue and expense statements for a three-year period following receipt of CDBG funds which includes all existing and projected debts and lenders, annual debt service amounts, and any related loan requirements, as well as current and long-term operating capital needs.

Adequate income projections are necessary to demonstrate the long-term financial soundness of the project. The organization must provide projected balance sheet and revenue and expense statements for a three-year period following receipt of CDBG funds which includes all existing and projected debts and lenders, annual debt service amounts, and any related loan requirements, as well as current and long-term operating capital needs.

In addition, a detailed proforma must be provided, outlining projected expenses such as management and administration costs; utility costs; repairs and maintenance costs; insurance and taxes; reserves; and debt service. Section C, Part V and VI of the Uniform Application For Montana Housing Loan, Grant, & Tax Credit Programs, March, 2004 Edition provides a proforma that can be utilized to provide this information.

(Available at: http://www.housing.state.mt.us/Hous_Apps.asp#uniform.)

Other project specific models are available upon request from MDOC CDBG staff. The projections must include an explanation of how the figures and assumptions were developed.

3. Requirements for Business Owners with a 20% or Greater Ownership

Personal Financial Statements and tax returns are generally required for all owners with 20% or more ownership in the proposed project. The Department also requires personal or corporate income tax returns for all affiliated businesses. The principal owners of the business, as defined above, must provide a release allowing for a personal credit history check by the Department as part of the application review. Applicants should include any other information that may be helpful in documenting the economic viability of the project.

4. Private Sector Commitments

Applicants must provide firm commitment letters from any private sector lenders or investors involved in the project. Such commitments should be binding, contingent only upon receipt of CDBG funds. All terms and conditions that apply to each funding source must be submitted as part of the application.

5. Federal Internal Revenue Service Forms

- a. A non-profit organization must submit verification of its IRS 501(c) status.
- b. Any private non-profit organization which is required to submit IRS Form 990 (Return of Organization Exempt From Income Tax), must submit a copy for the three most recent years of operation. (Organizations whose annual gross receipts are normally more than \$25,000 must file Form 990.)
- c. A for-profit organization must submit a copy of tax returns for the three most recent years of operation.

APPENDIX O

SAMPLE RESOLUTION TO AUTHORIZE SUBMISSION OF CDBG APPLICATION AND COMMIT MATCHING FUNDS

Each application for CDBG funds must be accompanied by a copy of a resolution formally adopted by the applicant and authorizing:

- the submission of the CDBG application in compliance with the Montana CDBG Program Application Guidelines, and
- states the applicant's willingness to abide by the federal requirements described in the CDBG Certifications for Applications; and
- the applicant's chief elected official or chief executive officer to act on its behalf in regard to the application and to provide such additional information as may be required; and
- committing the required matching funds equal to one fourth of the CDBG grant request.

The Department of Commerce will assume that the applicant has determined its legal authority under Montana law to apply for the grant and to conduct the activities proposed in the application. The Department may request additional information from the applicant if it is aware of any evidence to the contrary.

See sample resolution format on next page.

SAMPLE RESOLUTION TO AUTHORIZE APPLICATION

WHEREAS, the (Town of _____, the City of _____, or _____ County) is applying to the Montana Department of Commerce for a Community Development Block Grant (CDBG) to (describe purpose of project);

WHEREAS, the (Name of applicant) had conducted one or more public hearings in conformance with CDBG requirements to obtain the views of citizens or community development and housing needs, and on the proposed activities;

WHEREAS, the (Name of applicant) has the legal jurisdiction and authority to construct, finance, operate, and maintain (the proposed public facility);

That the (Town of _____, the City of _____, or _____, County) agrees to conform with the regulations, statutes, terms and conditions described in the CDBG Certifications for Application, and

That the (Name of applicant) commits to provide the matching funds as proposed in the CDBG application; and

That (name of Chief Elected Official, or Chief Executive Officer), (title) is authorized to submit this application to the Montana Department of Commerce, on behalf of (the Town of _____, the City of _____, or _____ County), to act on behalf of (name of City, Town or County) and to provide such additional information as may be required.

Signed: _____

Name: _____

Title: _____

Date: _____

Attested: _____

APPENDIX P

MAP REQUIREMENTS AND RESOURCES FOR PUBLIC FACILITIES NEEDS

Each application must include clearly legible maps that:

- (a) illustrate the applicant's political jurisdiction, and
- (b) identify the proposed project area.

Applicants are encouraged to submit maps at the minimum size and scale that will clearly convey all required information. Applicants should submit maps of a different scale where this will increase clarity. More than one type of information may be combined on one map if the information is clearly legible when combined.

Political Jurisdiction Map

The map of the applicant's political jurisdiction must identify:

- ☐ the boundaries of the entire jurisdiction;
- ☐ the project's location within the jurisdiction; and
- ☐ if applicable, the service area of the project.

Project Area Map

The map of the proposed project area must identify:

- ☐ the boundaries of the project area;
- ☐ the locations of all proposed activities such as water treatment plant to be constructed, land to be acquired, buildings to be demolished, streets or water lines to be reconstructed, and blocks where housing will be rehabilitated; and
- ☐ the boundaries of any 100-year floodplain designated by the Federal Emergency Management Agency.

Because the geographic area of a CDBG project is often critical for demonstrating compliance with the benefit to low and moderate income requirement, all project activities must take place within the project area boundaries, unless specifically authorized by MDOC.

Maps identifying the census districts within each county may be ordered from the Census and Economic Information Center (CEIC), Montana Department of Commerce, 301 S. Park Ave., P.O. Box 200505, Helena, Montana 59620-0505, (Telephone 841-2740). Microfiche copies of the county census district maps are available free; paper copies of the maps may be purchased. A wide variety of CEIC data can be accessed via the CEIC web page located at:

<http://ceic.mt.gov>

CEIC offers a range of map services related to census and economic data at:

http://ceic.mt.gov/data_maps.htm

Maps of Montana's counties, cities and towns can also be ordered from the Data and Statistics Bureau, Montana Department of Transportation, 2701 Prospect Avenue, P.O. Box 201001, Helena, Montana 59620-1001 (Telephone 444-6200).

www.mdt.state.mt.us/map/

Maps of designated flood plains may be ordered from the Montana Department of Natural Resources and Conservation, Water Operations Bureau, 1424 9th Avenue, P.O. Box 201601, Helena, Montana 59620-1601 (Telephone 444-6654).

Maps depicting a variety of natural resource related information including topographic maps, may also be ordered from the Montana State Library, Natural Resources Information System (NRIS), 1515 E. Sixth Ave., Helena, MT 59620 (Telephone 444-2987). The NRIS data can also be accessed via the NRIS web page:

<http://nris.state.mt.us/gis/>

APPENDIX Q

MONTANA DEPARTMENT OF COMMERCE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM CERTIFICATIONS FOR APPLICATION

EXPLANATION OF CERTIFICATIONS FOR APPLICATION

Each applicant must agree to comply with all applicable State and federal laws and regulations in implementing their proposed CDBG project, if it is selected for funding. A copy of the Certifications for Application signed by the chief elected official or executive officer of the applicant and dated within six months of the date of application, must accompany the application for CDBG funds.

Applicants should carefully review these requirements and consider their potential impact when designing their CDBG project. Listed in the following Certifications for Application are the most important federal regulations that apply to projects using CDBG funds. They cover a wide range of issues including environmental impacts, labor standards, employment practices, financial procedures, and civil rights, many of which can have an affect on the costs or complexity of project implementation. Each federal law or regulation is annotated to give the applicant a general understanding of the requirements that must be met. Since this is a brief summary and not intended to be a comprehensive description of each law, local officials who have any questions or concerns regarding the applicability of these requirements should contact the Department of Commerce for guidance.

**MONTANA DEPARTMENT OF COMMERCE
STATE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM**

CERTIFICATIONS FOR APPLICATION

The Applicant hereby certifies that:

ACCEPTANCE OF CDBG PROGRAM REQUIREMENTS

It will comply with all applicable parts of Title I of the Housing and Community Development Act of 1974, as amended, which have not been cited herein as well as with other applicable federal laws and regulations.

It will comply with all requirements established by the Department of Commerce and applicable State laws, regulations, and administrative procedures.

It accepts the terms, conditions, selection criteria, and procedures established by the Montana Community Development Block Grant (CDBG) Program and expressly waives any statutory or common law right it may have to challenge the legitimacy and propriety of these terms, conditions, criteria, and procedures in the event that it is not selected for an award of CDBG funds.

ACQUISITION, DISPLACEMENT AND RELOCATION

It will minimize displacement as a result of activities assisted with CDBG funds and assist persons actually displaced.

It will comply with:

- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (The Uniform Act) as amended, and implementing regulations 49 CFR part 24 and the requirements of section 570.496a. These laws and accompanying regulations require the grantee to provide relocation payments and offer relocation assistance to all persons displaced as a result of acquisition of real property for an activity assisted under the CDBG program. Such payments and assistance must be provided in a fair and consistent and equitable manner that ensures that the relocation process does not result in a different or separate treatment of such persons on account of race, color, religion, national origin, sex, source of income, age, handicap, or familial status (families with children). The grantee must assure that, within a reasonable period of time prior to displacement, decent, safe and sanitary replacement dwellings will be available to all displaced families and individuals and that the range of choices available to such persons will not vary on account of their race, color, religion, national origin, sex, source of income, age, handicap, or familial status (families with children); and

- The grantee must also inform affected persons of their rights and of the acquisition policies and procedures set forth in the regulations of 49 CFR, Part 24, Subpart B.
- The Anti-displacement and Relocation Assistance Plan adopted by the Montana Department of Commerce for the Montana CDBG program.

ASSESSMENTS FOR PUBLIC IMPROVEMENTS

It will not attempt to recover any capital costs of public improvements assisted in whole or part with CDBG funds by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements, unless:

- a. CDBG funds are used to pay the proportion of such fee or assessment that relates to the capital costs of such public improvements that are financed from revenue sources other than CDBG funds; or,
- b. for purposes of assessing any amount against properties owned and occupied by persons of low and moderate income who are not persons of very low income, the applicant certifies that it lacks sufficient CDBG funds to comply with the requirements of clause a., above.

BUILDING STANDARDS

It will require every building or facility (other than a privately owned residential structure) designed, constructed, or altered with funds provided under the Montana CDBG Program to comply with the "American Standard Specifications for Making Buildings and Facilities Accessible to, and Usable by, the Physically Handicapped," Number A-117.1R 1971, subject to the exceptions contained in CFR 101-19.604. It will also comply with the Architectural Barriers Act of 1968 and HUD regulations 24 CFR part 8, "Nondiscrimination Based on Handicap in Federally Assisted Activities of HUD". The applicant will be responsible for conducting inspections to insure compliance with these specifications by the contractor; and will comply with HUD Cost-Effective Energy Standards, 24 CFR Part 39.

CITIZEN PARTICIPATION

It will comply with the detailed Citizen Participation Plan adopted by the Montana Department of Commerce for the Montana CDBG program.

CIVIL RIGHTS, EQUAL OPPORTUNITY, AND FAIR HOUSING REQUIREMENTS

Civil Rights

It will comply with Title VI of the Civil Rights Act of 1964 (42 U.S.C. d et seq.), and the regulations issued pursuant thereto (24 CFR Part 1), which provides that no person in the United States shall on the grounds of race, color, or national origin, be excluded from

participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the applicant received Federal financial assistance and will immediately take any measures necessary to effectuate this assurance. If any real property or structure thereon is provided or improved with the aid of Federal financial assistance extended to the applicant, this assurance shall obligate the applicant, or in the case of any transfer of such property, any transferee, for the period during which the real property or structure is used for a purpose for which the Federal financial assistance is extended, or for another purpose involving the provision of similar services or benefits.

Equal Opportunity

It will comply with:

- Section 109 of the Housing and Community Development Act of 1974 as amended, and the regulations issued pursuant thereto (24 CFR 570.601), which provides that no person in the United States shall, on the grounds of race, color, national origin, or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with funds provided under the Act;
- The Age Discrimination Act of 1975, as amended (42 U.S.C. 6101 et seq.). The act provides that no person shall be excluded from participation, denied program benefits or subjected to discrimination on the basis of age under any program or activity receiving federal funding assistance;
- Section 504 of the Rehabilitation Act of 1973, amended (29 U.S.C. 794). The act provides that no otherwise qualified individual shall, solely, by reason of his or her disability, be excluded from participation (including employment), denied program benefits or subjected to discrimination under any program or activity receiving federal assistance funds;
- Section 3 of the Housing and Community Development Act of 1968 (12 U.S.C. 170/u) (24 CFR Part 135). Section 3 of the Housing and Urban Development Act of 1968 requires, in connection with the planning and carrying out of any project assisted under the Act, to the greatest extent feasible, opportunities for training and employment be given to lower-income persons residing within the unit of local government or the non-metropolitan county in which the project is located, and contracts for work in connection with the project be awarded to eligible business concerns which are located in, or owned in substantial part, by persons residing in the project area. The grantee must assure good faith efforts toward compliance with the statutory directive of Section 3; and
- Executive Order 11246, as amended by Executive Orders 11375 and 12086, and the regulations issued pursuant thereto (24 CFR Part 130 and 41 CFR Chapter 60) prohibit a CDBG recipient and subcontractors, if any, from discriminating against any employee or applicant for employment because of race, color, religion, sex or national origin. The grantee and subcontractors, if any, must take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex or

national origin. Such action must include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rate of pay or other forms of compensation; and selection for training, including apprenticeship. The grantee and subcontractors must post in conspicuous places, available to employees and applicants for employment, notices to be provided setting for the provisions of this nondiscrimination clause. For contracts over \$10,000 the grantee or subcontractors will send to each applicable labor union a notice of the above requirements, the grantee and subcontractors will comply with relevant rules, regulations and orders of the U.S. Secretary of Labor. The grantee or subcontractors must make their books and records available to State and federal officials for purposes of investigation to ascertain compliance.

Fair Housing

It will affirmatively further fair housing and will comply with:

- Title VIII of the Civil Rights Act of 1968 (also known as The Fair Housing Act) (42 U.S.C. 3601 et seq.), as amended by the Fair Housing Amendments Act of 1988 and the regulations issued pursuant thereto. The law states that it is the policy of the United States prohibiting any person from discriminating in the sale or rental of housing, the financing of housing, or the provision of brokerage services, including in any way making unavailable or denying a dwelling to any person, because of race, color, religion, sex, national origin, disability, or familial status. CDBG grantees must also administer programs and activities relating to housing and community development in a manner that affirmatively promotes fair housing and furthers the purposes of Title VIII; and
- Executive Order 11063, as amended by Executive Order 12259, requires CDBG recipients to take all actions necessary and appropriate to prevent discrimination because of race, color, religion, creed, sex or national origin; in the sale, leasing, rental and other disposition of residential property and related facilities (including land to be developed for residential use); or in the use or occupancy thereof if such property and related facilities are, among other things, provided in whole or in part with the aid of loans, advances, grants or contributions from the federal government.

Prohibition of Discrimination on Basis of Religion

It will comply with section 109(a) of the Housing and Community Development Act that prohibits discrimination on the basis of religion or religious affiliation. No person will be excluded from participation in, denied the benefit of, or be subjected to discrimination under any program or activity funded in whole or in part with CDBG funds on the basis of his or her religion or religious affiliation.

Prohibition of Excessive Force

It will, if awarded CDBG funds, adopt and enforce a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any

individuals engaged in nonviolent civil rights demonstrations in accordance with Section 104(1) of the Housing and Community Development Act, as amended.

ADA Compliance

It will do a self-assessment of impediments to accessibility in compliance with the Americans with Disabilities Act (ADA) of 1990. Grantees are required to find a means of making CDBG program activities and services accessible to persons with disabilities; to review their communities for impediments to disabled citizens; and develop a plan to address those impediments.

CONFLICT OF INTEREST

It will comply with the provisions of 24 CFR 570.611 and with sections 2-2-125, 2-2-201, 7-3-4367, 7-5-2106, and 7-5-4109, MCA, (as applicable) regarding the avoidance of conflict of interest.

ENVIRONMENTAL REQUIREMENTS

Air Quality

It will comply with the Clean Air Act (42 U.S.C. 7401, et seq.) which prohibits engaging in, supporting in any way or providing financial assistance for, licensing or permitting, or approving any activity which does not conform to the State implementation plan for national primary and secondary ambient air quality standards.

Environmental Impact

It will comply with:

- Section 104(f) of the Housing and Community Development Act of 1974, as amended through 1981. This section expresses the intent that "the policies of the National Environmental Policy Act of 1969 and other provisions of law which further the purposes of such Act be most effectively implemented in connection with the expenditure of funds under" the Act. Such other provisions of law which further the purpose of the National Environmental Policy Act of 1969 are specified in regulations issued pursuant to Section 104(f) of the Act and contained in 24 CFR Part 58; and
- The National Environmental Policy Act of 1969 (42 U.S.C. Section 4321, et seq. and 24 CFR Part 58). The purpose of this Act is to attain the widest use of the environment without degradation, risk to health or safety or other undesirable and unintended consequences. Environmental review procedures are a necessary part of this process. Pursuant to these provisions, the grantee must also submit environmental certifications to the Department of Commerce when requesting that funds be released for the project. The grantee must certify that the proposed project will not significantly impact the environmental regulations and fulfilled its obligations to give public notice of the funding request, environmental findings and compliance performance.

Its chief executive officer or other officer of the applicant approved by the State:

1. consents to assume the status of responsible federal official under the National Environmental Policy Act of 1969 (NEPA) and other provisions of federal law, as specified in 24 CFR Part 58, which further the purposes of NEPA, insofar as the provisions of such federal law apply to the Montana Community Development Block Grant Program; and
2. is authorized and consents on behalf of the applicant and himself to accept the jurisdiction of the Federal courts for the purpose of enforcement of his responsibilities as such an official.

EPA List of Violating Facilities

It will ensure that the facilities under its ownership, lease or supervision which shall be utilized in the accomplishment of the program are not listed on the U.S. Environmental Protection Agency's (EPA) List of Violating Facilities and that it will notify the Department of Commerce of the receipt of any communication from the Director of the EPA Office of Federal Activities indicating that a facility to be used in the project is under consideration for listing by EPA.

Farmlands Protection

It will comply with the Farmlands Protection Policy Act of 1981 (7 U.S.C. 4202, et seq.) and any applicable regulations (7 CFR Part 658) which established compliance procedures for any federally assisted project which will convert farmlands designated as prime, unique or statewide or locally important, to non-agricultural uses.

Floodplain Management and Wetlands Protection

It will comply with:

- the Flood Disaster Protection Act of 1973, Public Law 93-234, 87 Stat. 975, approved December 31, 1973. Section 102(a) required, on and after March 2, 1974, the purchase of flood insurance in communities where such insurance is available as a condition for the receipt of any federal financial assistance for construction or acquisition purposes for use in any area that has been identified by the Secretary of the Department of Housing and Urban Development as an area having special flood hazards. The phrase "Federal financial assistance" includes any form of loan, grant, guaranty, insurance payment, rebate, subsidy, disaster assistance loan or grant, or any other form of direct or indirect Federal assistance;
- Executive Order 11988, May 24, 1978: Floodplain Management (42 F.R. 26951, et seq.). The intent of this Executive Order is to (1) avoid, to the extent possible, adverse impacts associated with the occupancy and modification of floodplain and (2) avoid direct or indirect support of floodplain development wherever there is a practical alternative. If a grantee proposes to conduct, support or allow an action to be located in the floodplain, the grantee must consider alternatives to

avoid adverse effects and incompatible involvement in the floodplains. If siting in a floodplain is the only practical alternative, the grantee must, prior to taking any action: (1) design or modify its actions in order to minimize a potential harm to the floodplain; and (2) prepare and circulate a notice containing an explanation of why the action is proposed to be located in a floodplain; and

- Executive Order 11990, May 24, 1977: Protection of Wetlands (42 F.R. 26961, et seq.). The intent of this Executive Order is to avoid adverse impacts associated with the destruction or modification of wetlands and direct or indirect support of new construction in wetlands, wherever there is a practical alternative. The grantee must avoid undertaking or providing assistance for new construction located in wetlands unless there is no practical alternative to such construction and the proposed action includes all practical measures to minimize harm to wetlands which may result from such use.

Historic Preservation

It will comply with:

- Section 106 of the National Historic Preservation Act of 1966 (16 U.S.C. 470, as amended) through completion of the procedures outlined in 36 CFR 800 and 36 CFR 63. Compliance with these procedures should include:
 1. consulting with the State Historic Preservation Office (SHPO) to identify properties listed in or eligible for inclusion in the National Register of Historic Places that exist with a proposed CDBG project's area of potential environmental impact, and/or to determine the need for professional archaeological, historical, or architectural inventory of potentially affected properties to determine whether they would qualify for register listing; and
 2. consulting, as needed with the SHPO, Keeper of the National Register of Historic Places, and the Advisory Council on Historic Preservation to evaluate the significance of historic or prehistoric properties which could be affected by CDBG work and to determine how to avoid or mitigate adverse effects to significant properties from project work.

Lead-Based Paint

It will comply with Title IV of the Lead-based Paint Poisoning Prevention Act (42 U.S.C. 4831), which prohibits the use of lead-based paint in residential structures constructed or rehabilitated with federal assistance of any kind. In addition, it will comply with Sections 1012 and 1013 of the Residential Lead-Based Paint Hazard Reduction Act that is Title X of the Housing and Community Development Act of 1992. This is the basic law covering lead-based paint in federally associated housing. This new regulation appears within title 24 of the Code of Federal Regulations as part 35 (24CR 35).

Noise, Facility Siting

It will comply with HUD Environmental Standards (24 CFR, Part 51, Environmental Criteria and Standards and 44 F.R. 40860-40866, July 12, 1979) which prohibit HUD support for most new construction of noise-sensitive uses is prohibited in general for projects with unacceptable noise exposures is discouraged for projects with normally unacceptable noise exposure. Additionally projects may not be located near facilities handling materials of an explosive or hazardous nature, or in airport clear zones.

Solid Waste

It will comply with the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976 (42 U.S.C. Section 6901, et seq.). The purpose of this Act is to promote the protection of health and the environment and to conserve valuable material and energy resources.

Water Quality

It will comply with:

- the Safe Drinking Water Act of 1974 (42 U.S.C. Section 201, 300(f) et seq. and U.S.C. Section 349), as amended, particularly Section 1424(e) (42 U.S.C. Section 300H-303(e)) which is intended to protect underground sources of water. No commitment for federal financial assistance can be entered into for any project which the U.S. Environmental Protection Agency determines may contaminate an aquifer which is the sole or principal drinking water source for an area; and
- the Federal Water Pollution Control Act of 1972, as amended, including the Clear Water Act of 1977, Public Law 92-212 (33 U.S.C. Section 1251, et seq.) which provides for the restoration and maintenance of the chemical, physical and biological integrity of the nation's water.

Wildlife

It will comply with:

- the Endangered Species Act of 1973, as amended (16 U.S.C. 1531 et seq.). The intent of this Act is to ensure that all federally assisted projects seek to preserve

endangered or threatened species. Federally authorized and funded projects must not jeopardize the continued existence of endangered and threatened species or result in the destruction or modification of habitat of such species which is determined by the U.S. Department of the Interior, after consultation with the state, to be critical; and

- the Fish and Wildlife Coordination Act of 1958, as amended, (U.S.C. 661 et seq.) which requires that wildlife conservation receives equal consideration and is coordinated with other features of water resource development programs.

Wild and Scenic Rivers

It will comply with the Wild and Scenic Rivers Act of 1968, as amended (16 U.S.C. 1271, et seq.). The purpose of this Act is to preserve selected rivers or sections of rivers in their free-flowing condition, to protect the water quality of such rivers and to fulfill other vital national conservation goals. Federal assistance by loan, grant, license or other mechanism can not be provided to water resources construction projects that would have a direct and adverse effect on any river included or designated for study or inclusion in the National Wild and Scenic River System.

FINANCIAL MANAGEMENT

It will comply with the applicable requirements of:

- OMB Circular A-87, "Cost Principles for State and Local Governments," as specified by the Department of Commerce;
- HUD "Administrative Requirements for Grant and Operative Agreements to State, Local, and Federally-Recognized Indian Tribal Governments," (24 CFR, Part 85), or any equivalent procedures and requirements that the Montana Department of Commerce may prescribe. The HUD Administrative Requirements are the basis for a number of specific requirements on the financial management and record keeping of CDBG funds. The requirements apply to cash depositories, bonding and insurance, record keeping, program income, property management, procurement, closeout, audit, and other requirements; and
- The Single Audit Act of 1984, as amended by the Single Audit Act of 1996 (the "Single audit Act Amendments") which establishes criteria for determining the scope and content of audits and OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations", revised June 24, 1997. (OMB Circular A-133 supersedes OMB Circular A-128, "Audits of State and Local Governments", which has been rescinded.)

It will promptly refund to the Montana Department of Commerce any CDBG funds determined by an audit to have been spent in an unauthorized or improper manner or for ineligible activities.

It will give the Montana Department of Commerce, the Montana Legislative Auditor, HUD, and the Comptroller General, through any authorized representatives, access to and the right to examine all records, books, papers, or documents related to the grant.

LABOR STANDARDS

It will comply with:

- Section 110 of the Housing and Community Development Act of 1975, as amended, 24 CFR 570.605, and State regulations regarding the administration and enforcement of labor standards. Section 110 requires that all laborers and mechanics employed by contractors or subcontractors on construction work assisted under the Act shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276-1- 276a-5). By reason of the foregoing requirement the Contract Work Hours and Safety Standards Act (40 U.S.C. 327 et seq.) also applies. However, these requirements apply to rehabilitation of residential property only if such property is designed for residential use for eight or more families;
- Davis-Bacon Act, as amended (40 U.S.C. et seq.), Section 2; June 13, 1934, as amended (48 Stat. 948.40 U.S.C. 276(c)), popularly known as the Copeland Anti-Kickback Act. The Act mandates that all laborers and mechanics be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account except "permissible" salary deductions, the full amounts due at the time of payments, computed at wage rates not less than those contained in the wage determination issued by the U.S. Department of Labor. Weekly compliance statements and payrolls are required to be submitted to the federally funded recipient by the contractor;
- Contract Work Hours and Safety Standards Act (40 U.S.C. 327 et seq.). According to the Act, no contract work may involve or require laborers or mechanics to work in excess of eight hours in a calendar day, or in excess of 40 hours in a work week, unless compensation of not less than one and one-half times the basic rate is paid for the overtime hours. If this Act is violated, the contractor or subcontractor is liable to any affected employee for unpaid damages as well as to the United States for liquidated damages; and
- Federal Fair Labor Standards Act, (29 U.S.C.S. 201 et seq.). The act requires that covered employees be paid at least the minimum prescribed wage, and also that they be paid one and one-half times their basic wage rate for all hours worked in excess of the prescribed workweek.

LEGAL AUTHORITY

It possesses legal authority to apply for the grant and to execute the proposed project under Montana law and, if selected to receive a Community Development Block Grant, will make all efforts necessary to assure timely and effective implementation of the project activities described in the attached application.

LOBBYING

It certifies that:

- No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influencing an officer or employee or any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

POLITICAL ACTIVITY

It will comply with the Hatch Act (5 U.S.C. 1501, et seq.; 5 CFR Part 151) which restricts the political activity of individuals principally employed by a state or local agency in connection with a program financed in whole or in part by federal loans or grants. An affected employee may not be a candidate for public office in a partisan election.

PROCUREMENT

Consulting Services will be procured in a manner that provides fair and unbiased, full and open competition, without conflicts of interest.

AUTHORIZATION TO SUBMIT APPLICATION

Its governing body has duly adopted or passed as an official act a resolution, motion or similar action authorizing the submission of the application, including all understandings and assurances contained herein, and directing and authorizing the signatory to act in connection with the application and to provide such additional information as may be required.

Signature, Chief Elected Official
(or Executive Officer)

Name (typed or printed)

Title

Date

CITIZEN PARTICIPATION PLAN FOR THE MONTANA COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM

A. Purpose

Pursuant to Section 104(a)(3) of the Housing and Community Development Act, the Montana Department of Commerce (MDOC) has prepared the following detailed Citizen Participation Plan. The intent of this plan is to ensure that the citizens of Montana, particularly persons of low and moderate income residing in slum and blight areas, or areas in which CDBG funds are proposed to be used, are provided the opportunity and encouraged to participate in the planning and implementation of CDBG-funded activities.

B. Responsibilities of the Montana Department of Commerce

1. Prior to submitting its annual CDBG Application Guidelines to the U. S. Department of Housing and Urban Development (HUD), MDOC will in a timely manner:
 - a. furnish interested citizens and eligible local governments information concerning the amount of funds available for proposed community development and housing activities and the range of activities that will benefit persons of low and moderate income, the State's community development objectives, and the projected use of CDBG funds;
 - b. publish proposed application guidelines in such a manner to provide affected citizens an opportunity to examine the contents and to submit comments on the proposed guidelines and on the community development performance of MDOC; and
 - c. hold one or more public hearings to obtain the views of citizens on community development and housing needs as authorized by Section 90-1-103, MCA, and under the procedures established by the Montana Administrative Procedures Act, Title 2, Chapter 4, MCA.
2. After providing reasonable notice, the public may review Department of Commerce files pertaining to the past use of CDBG funds under the State CDBG program at the Department's office in Helena, Montana;
3. The Montana Department of Commerce will give citizens and Montana's local governments reasonable notice of, and an opportunity to comment on, any proposed change in the method of distribution of CDBG funds or any major amendment of the Montana CDBG Program Guidelines. The Department will:

- a. publish a notice of the proposed change in order to provide citizens and Montana's counties and municipalities reasonable notice of the change;
- b. consider comments received from citizens and local government officials prior to making a final decision regarding the change;
- c. publish the change; and
- d. submit a copy of the change to HUD.

C. Responsibilities of CDBG Applicants and Recipients

1. Citizen participation in the preparation of CDBG applications:
 - a. Applicants must provide citizens, especially low and moderate-income residents for whom CDBG funds will benefit, an adequate notice and opportunity for meaningful involvement in the planning and development of CDBG applications.
 - b. At a minimum, the applicant must hold two public hearings, one before preparing the application and one prior to passage of a resolution by the governing body authorizing the submission of the application. The public hearings may be conducted either as part of a regularly scheduled meeting of the governing body or as hearings convened especially for CDBG purposes.

Applicants reapplying for the same project submitted unsuccessfully in the previous year must still hold at least one public hearing prior to the passage of the resolution by the governing body authorizing the submission of the application. The applicant should hold the hearing not more than three months prior to the date of application.

- c. A record of the required hearings must be submitted with the application for CDBG funds, along with copies of the public notices for the hearings or affidavits of publication for the notices. A verbatim record is not necessary; the names of persons who attended and a summary of comments by local officials and citizens are sufficient.
- d. The first public hearing is intended to give citizens an opportunity to identify and discuss their community's overall needs and priorities, including the needs of low and moderate income persons, and to propose possible community improvement projects before the local government decides what project or projects it will seek assistance for. To minimize duplication, local governments may use advertised public hearings related to their planning program or other funding applications to meet the CDBG requirement for a public hearing prior to preparation of their CDBG application, as long as overall

community needs and possible solutions are addressed. **An increasing number of Montana counties and cities are cooperating to publicize and hold joint, annual hearings to consider overall community development and housing needs for both the city and county.** By this means, a single public hearing can meet the requirements of several state or federal programs, such as the MDOC CDBG, HOME, or Treasure State Endowment Program (TSEP). This approach can also make participation more convenient for the public or interested organizations or groups. The first public hearing should be held not more than eighteen months prior to the date of application.

- e. The purpose of the second public hearing is to give citizens and potential beneficiaries of the proposed CDBG project (especially low and moderate income persons) adequate opportunity to consider the potential impacts and benefits of the community's proposed project and to comment on it, before the community submits the application. At this hearing specific CDBG program requirements and related project issues should be reviewed. For example, if taxes or user charges will need to be increased as part of financing a CDBG project, it is especially important that residents understand the necessity of raising user costs. The second public hearing should be held not more than three months prior to the date of application.
- f. Notice of each public hearing should be published at least once in a newspaper of general circulation in the community at least seven days prior to the hearing. In addition to the published notices, the applicant should make reasonable efforts to inform citizens of the hearings who may be affected by a CDBG project but who might not be reached through formal newspaper notices. Examples of actions applicants may take to ensure citizen participation include meeting with community groups and leaders prior to public hearings, holding informational meetings, distributing notices of public meetings to residents, or posting of notices in ways customary to the community. These efforts should be especially concentrated in any neighborhood that may be affected by a proposed CDBG project. The hearings should be scheduled at times and locations which will encourage broad citizen participation. (Communities without a newspaper may substitute alternatives such as radio announcements, mailed notices, and posters.)

D. Responsibilities of Both MDOC and CDBG Applicants and Recipients.

1. Public Hearings

- a. Public hearings will be the primary means of obtaining citizen views and responding to proposals and questions related to community development and housing needs, proposed CDBG activities and past CDBG performance. The required CDBG "hearings" do not have to

be formally structured or even be conducted in a hearing format to meet the CDBG public hearing requirement. The CDBG program encourages a setting that promotes open discussion and an exchange of ideas regarding community development needs, priorities, and possible solutions.

- b. Formal public notice will be provided before such public hearings. As circumstances warrant and as MDOC and cities, towns and counties determine necessary or appropriate, notice may additionally be specifically directed to persons of low and moderate income, those persons benefiting from or affected by CDBG activities and/or representatives of such persons. Hearings will be held at times and locations convenient to potential and actual beneficiaries and with accommodation for the handicapped. In the case of public hearings where a significant number of non-English speaking residents can reasonably be expected to participate, arrangements will be made to have an interpreter present.

2. Access to Records, Meetings, Information

- a. MDOC and local government applicants for or recipients of CDBG funds will provide citizens with reasonable and timely access to local meetings, information, and records relating to the proposed actual use of CDBG funds.
- b. Information and records regarding the proposed and past use of CDBG funds will be available at the Montana Department of Commerce, Community Development, Helena, Montana, and at a location designated by each CDBG applicant and grant recipient during regular office hours.

3. Technical Assistance

The Montana Department of Commerce and Montana cities, towns and counties will provide technical assistance to groups representative of persons of low and moderate income that request assistance in developing CDBG proposals. The level and type of assistance that is appropriate will be determined by the Department and each governing body based on its ability to provide or arrange for such assistance, the cost of providing such assistance, and other relevant factors.

4. Complaints and Grievances

MDOC and Montana cities, towns and counties will respond to written complaints and grievances concerning their CDBG activities in writing and in a timely manner. When practicable, such written responses shall be made within fifteen (15) working days.

5. Montana Law

MDOC and local government applicants for, and recipients of, CDBG funds shall afford Montana citizens reasonable opportunity to participate in governmental actions and decision making as provided under Montana law (Title 2, Chapter 3, MCA).

6. Grant Amendment

- a. All grantees must request prior approval of grant amendments such as those involving new activities or alteration of the existing activities or budget or lengthening of the schedule for project implementation, as proposed in the grant application and/or negotiated in the grant contract.
- b. The Department will require that a public hearing with reasonable notice be conducted by the grantee if the proposed amendment is determined to be a substantial change in project activities contained in the original application for CDBG funds.
- c. Substantial changes in project activities may also obligate the grant recipient to publish legal notices and to conduct additional environmental analysis in order to comply with federal environmental requirements.

APPENDIX R

Program Income

A. Report on Use of Past Program Income

Communities utilizing program income from past CDBG projects must provide current information regarding their use of the funds for the last three fiscal years including the following, as applicable:

- Sources of program income, including interest earned.
- Dates and amounts of program income deposits and disbursements.
- A description of the activities funded with program income.

Any community that has been receiving program income from a previous CDBG project must submit a summary of this information with the grant application. This information must be provided by completing the “Report on Use of Past Program Income” found in this appendix.

B. Plan for Future Use of Program Income

If applicable to the proposed CDBG project, the applicant should include a plan for the future use of program income and propose long-term administrative mechanisms for the oversight of these funds. To address federal program income requirements, MDOC has prepared a CDBG Program Income and Revolving Loan Fund Manual for local government grantees that retain and use program income. The manual focuses on state oversight and local government management and accountability for program income and revolving loans including submitting an annual report to MDOC. The manual is available from the MDOC CDBG staff.

C. Annual Program Income Reports

Each year by federal regulation, the Montana CDBG program must request reports from local governments that have generated program income on CDBG supported activities. If a local government requested to retain program income received from its CDBG funded housing project after project closeout it would have had to complete a Program Income Plan as part of the required closeout report. This Program Income Plan outlines the use of program income received in conjunction with a revolving loan fund for ongoing housing purposes to assist low and moderate-income homeowners or renters, and may have included a goal to fund other eligible CDBG activities. Program Income reports are due annually to CDBG and are usually due in October.

Report on Use of Past Program Income
For the City, Town, or County of _____

Receipts, Disbursements and Changes in Fund Balance(s)
 For the Last 3 State Fiscal Years Ending June 30, 20____

	Fiscal Year 20____	Fiscal Year 20____	Fiscal Year 20____
(Receipts)			
Interest			
Principal			
Other			
Total Annual Receipts			
(Disbursements)			
Loans			
Grants			
Total Annual Disbursements			
Total Outstanding Loans			
Fund Balance(s)			

Note - Please attach the following:

- A description of the sources for program income, including interest earned.
- Dates and amounts of program income deposits and disbursements.
- A description of the activities funded with program income.

APPENDIX S

PRELIMINARY ARCHITECTURAL REPORT FOR NEW CONSTRUCTION OR REHABILITATION OF EXISTING BUILDINGS (EXCLUDING SINGLE FAMILY RESIDENCES)

The Preliminary Architectural Report (PAR) is submitted as part of your CDBG application for a non-water or wastewater public facility project, such as a community center, Head Start center, or medical clinic. The outline presented on the following pages describes the common items necessary to produce the PAR. The PAR must be prepared by a professional architect licensed to practice in the State of Montana.

The PAR should adequately describe the existing situation and problem, analyze alternatives and propose a specific course of action for solving the problem. Sufficient information must be provided to adequately assess the need for, feasibility, and cost of the project. The outline is by no means all-inclusive. The architect should use his or her professional judgment to present sufficient information during preparation of the PAR, taking into account that different projects require varying levels of detail (rehabilitation of an existing building versus construction of a new building).

The level of effort required to prepare the report and the depth of analysis within the report should be proportional to the size and complexity of the proposed project. The architect should provide appropriate documentation wherever possible to support the analysis and the proposal.

If the PAR does not provide required information, a clear analysis of existing conditions, as well as a thorough proposal to address the deficiencies, the application may receive fewer points in the competitive ranking and as a result, possibly not receive funding.

Environmental Considerations

All state and federally funded projects are subject to either the Montana Environmental Policy Act (MEPA) or National Environmental Policy Act of 1969 (NEPA), or both. MEPA seeks to avoid or mitigate adverse impacts on the natural and human environment by mandating careful consideration of the potential impacts of any development assisted with state funds or approved by a state agency. NEPA establishes national policy, goals, and procedures for protecting, restoring, and enhancing environmental quality.

Both laws seek to avoid adverse impacts on the environment by mandating careful consideration of the potential impacts of any development assisted with federal funds or approved by state agency. In order to avoid delays, adding significantly to project costs, or even preventing a project from being carried out, all applicants to state or federal infrastructure funding programs must consider potential environmental impacts during the project planning. As a result, local officials will be able to make better decisions by carefully considering the potential environmental consequences of projects and the actions that will be required to mitigate any adverse consequences.

Various funding agencies have different requirements related to the environmental review process, the selection of the preferred alternative, and adoption of the preliminary

architectural report. Requirements for public review and notification also vary by funding agency. Applicants should contact those agencies that they are considering applying to so that each agency's specific requirements will be met.

Even though public participation in the preparation of the PAR may not be specifically required by a particular funding program, it is recommended that the public be involved in the selection of the preferred architectural alternative.

Preliminary Architectural Report Outline

I. Problem Definition

A. **Identify the planning area and existing or potential location of the facility.** *Using narrative and drawings, describe the area(s) under consideration. The description should include the following information:*

1. **Location** - *Indicate legal and natural boundaries, major obstacles, etc. using maps, photographs, and sketches of the planning area or alternative sites, as applicable.*
2. **Environmental Resources Present** - *Provide information on the location and significance of important land resources (farmland, range land, forestland, wetlands, and 100 year floodplains, including stream crossings), historic sites, endangered species or critical habitats, etc., using maps, photographs, studies and narrative, as applicable.*
3. **Growth Areas and Projected Population Trends** - *Identify specific areas of concentrated growth. Provide population projections for the project planning area and concentrated growth areas for the project design period. Base population projections on historical records, or economic projections, citing recognized sources.*

B. **Evaluate the condition of existing facilities.** *Describe the existing facilities including at least the following information:*

1. **Layout of The Existing Facility** - *Provide a floor plan for the existing structure(s). Illustrate current space occupied and proposed space requirements.*
2. **History** - *Provide a brief history of the facilities, including when the system was constructed, major improvements and any past problems.*
3. **Condition of Facilities** - *Describe present condition, capacity, and if there are existing facilities suitable for continued use.*
4. **Evaluate Presence of Lead-based Paint and Asbestos --**
Provide a full evaluation of the presence of lead-based paint and asbestos when existing facilities are being considered
5. **Financial Status of Facilities** - *Provide information regarding annual operation and maintenance (O&M) costs, tabulation of users, and revenue received for the last three fiscal years. Give status of existing debts associated with the facility.*

C. Describe and document the need for the project and the problems to be solved. *Describe the need for the project according to the following criteria:*

1. **Health and Safety** - *Describe concerns, compliance issues, and relevant regulations such as the Uniform Building Code, zoning ordinances, asbestos, lead-based paint, and other federal, state, local, or tribal requirements. Attach pertinent correspondence to/from appropriate federal and state regulatory agencies.*
2. **Facility O&M** - *Describe O&M concerns with an emphasis on those with the greatest financial and operational impact. Discuss operational, administrative and management capacity.*
3. **Growth** - *Describe the facility capacity necessary to meet projected needs during the planning period. Discuss any potential for future expansion, if applicable, or any consideration given to designing for phased construction. Provide number of current and projected new users to be served by this project.*

II. Alternative Analysis

A. Description. *Describe each alternative site, i.e. existing buildings with potential for rehabilitation or alteration, or alternative building sites.*

1. **Existing Buildings** - *Describe existing buildings within the community that could be modified to accommodate the proposed facility, deficiencies with each, code compliance issues, floor space, handicapped accessibility, potential for expansion, as applicable.*
2. **Building Sites** - *If proposing new construction, describe alternative building sites available for new construction, any existing structures on the site(s), potential for expansion, proximity to other services, etc.*

B. Regulatory Compliance and Permits. *Describe compliance with appropriate regulations such as Uniform Building Code, zoning issues, asbestos, lead-based paint, permits, handicapped accessibility, and other federal state, local or tribal requirements*

C. Land Acquisition. *Identify sites and easements required, if applicable. Specify whether these properties are currently owned, to be acquired or leased, and whether options have been obtained, contingent upon receipt of funding.*

D. Environmental Considerations. *For the alternative selected for the project, discuss the following:*

1. **Affected Environmental Consequences** - *Describe and document the environmental resources of the area to be affected. The information collected through the Uniform Environmental Checklist is the basis for discussing environmental resources in the area that might be affected or that might affect the proposed facility. The checklist must be attached as part of this report. If there has been a previous environmental assessment completed for the project area, please include a copy of the assessment in addition to the completed checklist. Identify each environmental resource that will be affected, as applicable:*
2. **Mitigation** - *Evaluate appropriate short and long-term measures to mitigate each potentially adverse impact. Describe the mitigation measure(s) necessary to minimize adverse impacts upon identified environmental resources. Projects contemplating the renovation of existing structures should thoroughly discuss mitigation measures to address asbestos and lead-based paint, where identified, in accordance with federal and state requirements.*
3. **Correspondence** - *Include any environmentally related correspondence and agency comments as required by the Environmental Checklist, e.g., the State Historic Preservation Office (SHPO).*
4. **Exhibits/Maps** - *Include any exhibits, maps, or drawings as applicable to describe potential environmental impacts.*

E. Construction Problems. *Discuss unique concerns such as geological constraints, limited access, underground storage tanks, high water table, asbestos, lead-based paint, contaminated soil, noise, odors, or other conditions that may affect cost of construction or operation of the facility.*

F. Cost Estimates.

1. **Project Costs** *(i.e., administrative, financial, engineering, architecture, and construction costs.)*
2. **Projected Annual Operation and Maintenance (O&M) Costs**

III. Selection of Preferred Alternative

- A. **Basis of the selection of the preferred alternative.** *Provide an analysis of why the preferred alternative was selected over other alternatives.*
- B. **Site location and characteristics.** *Discuss the site location of any current or proposed facilities, and describe the characteristics of the site(s).*
- C. **Preliminary Architectural Plans.** *Provide preliminary architectural plans (including a proposed floor plan) for the proposed facility.*
- D. **Operational requirements.** *Discuss the expertise required to operate the facility and any unique operational requirements of the facility.*
- E. **Impact on existing facilities.**
- F. **Design.** *Describe design issues for this project, such as the location of the facility, cost effectiveness, technical feasibility, local resources and suppliers, etc.*
- G. **Cost summary**
 - 1. **Project Cost Estimate** - *Provide an itemized estimate of the project cost based on the anticipated period of construction. Include administrative, development and construction, land and rights, legal, engineering, interest, equipment, contingencies, refinancing, and other costs associated with the proposed project.*
 - 2. **Annual Operating Budget** -
 - a. **Income** - *Project income realistically. Base projections on likely revenues, membership dues, subsidies, etc.*
 - b. **O&M Costs** - *Project costs realistically. In the absence of other reliable data, base projections on actual costs of other existing facilities of similar size and complexity. Include facts to substantiate O&M costs estimates. Include salaries, wages, taxes, accounting, auditing fees, legal fees, interest, utilities, insurance, fuel, repairs and maintenance, supplies, chemicals, office supplies, printing, medical supplies and/or equipment, and miscellaneous expenses.*
 - c. **Capital Improvements** - *Describe annual costs of purchasing or replacing equipment necessary to the function of the facility.*

d. **Debt Repayments** - *Describe existing and proposed project financing from all sources, and any effect on facility user fees, including any debt coverage requirements.*

H. **Public Participation.** *Describe any public participation, meetings, hearings, or comments received from the public about the PAR or proposed project (you may refer to the appropriate CDBG ranking criteria where this has been addressed).*

IV. **Conclusions and Recommendation.** *Provide any additional findings and recommendations that should be considered in the evaluation of this project.*

APPENDIX T

MONTANA POPULATION REPORT BY U.S. CENSUS BUREAU BY INCORPORATED CITY AND REMAINDER OF COUNTY

GEOGRAPHIC AREA	4/1/70	4/1/80	4/1/90	4/1/00	1970-00 % Change
Beaverhead County	8,187	8,186	8,424	9,202	12.40%
Dillon city	4,548	3,976	4,104	3,752	-17.50%
Lima town	351	272	265	242	-31.05%
Unincorporated Beaverhead County	3,288	3,938	4,055	5,208	58.39%
Big Horn County	10,057	11,096	11,337	12,671	25.99%
Hardin city	2,733	3,300	3,017	3,384	23.82%
Lodge Grass town	806	499	517	510	-36.72%
Unincorporated Big Horn County	6,518	7,297	7,803	8,777	34.66%
Blaine County	6,727	6,999	6,728	7,009	4.19%
Chinook city	1,813	1,660	1,515	1,386	-23.55%
Harlem city	1,094	1,023	882	848	-22.49%
Unincorporated Blaine County	3,820	4,316	4,331	4,775	25.00%
Broadwater County	2,526	3,267	3,318	4,385	73.59%
Townsend city	1,371	1,587	1,603	1,867	36.18%
Unincorporated Broadwater County	1,155	1,680	1,715	2,518	118.01%
Carbon County	7,080	8,099	8,080	9,552	34.92%
Bearcreek town	31	61	37	83	167.74%
Bridger town	717	724	692	745	3.91%
Fromberg town	364	469	372	486	33.52%
Joliet town	412	580	554	575	39.56%
Red Lodge city	1,844	1,896	1,979	2,177	18.06%
Unincorporated Carbon County	3,712	4,369	4,446	5,486	47.79%
Carter County	1,956	1,799	1,503	1,360	-30.47%
Ekalaka town	663	620	439	410	-38.16%
Unincorporated Carter County	1,293	1,179	1,064	950	-26.53%
Cascade County	81,804	80,696	77,691	80,357	-1.77%
Belt city	656	825	544	633	-3.51%
Cascade town	714	773	608	819	14.71%
Great Falls city	60,091	56,884	55,376	56,690	-5.66%
Neihart town	109	91	53	91	-16.51%
Unincorporated Cascade County	20,234	22,123	21,110	22,124	9.34%
Chouteau County	6,473	6,092	5,452	5,970	-7.77%
Big Sandy town	827	835	744	703	-14.99%
Fort Benton city	1,863	1,693	1,660	1,594	-14.44%
Geraldine town	370	305	299	284	-23.24%
Unincorporated Chouteau County	3,413	3,259	2,749	3,389	-0.70%
Custer County	12,174	13,109	11,697	11,696	-3.93%
Ismay town	40	31	19	26	-35.00%
Miles City city	9,023	9,602	8,621	8,487	-5.94%
Unincorporated Custer County	3,111	3,476	3,057	3,183	2.31%
Daniels County	3,083	2,835	2,266	2,017	-34.58%
Flaxville town	185	142	88	87	-52.97%
Scobey city	1,486	1,382	1,254	1,082	-27.19%

**MONTANA POPULATION REPORT BY U.S. CENSUS BUREAU
BY INCORPORATED CITY AND REMAINDER OF COUNTY**

GEOGRAPHIC AREA	4/1/70	4/1/80	4/1/90	4/1/00	1970-00 % Change
Unincorporated Daniels County	1,412	1,311	924	848	-39.94%
Dawson County	11,269	11,805	9,505	9,059	-19.61%
Glendive city	6,305	5,978	4,822	4,729	-25.00%
Richey town	389	417	259	189	-51.41%
Unincorporated Dawson County	4,575	5,410	4,424	4,141	-9.49%
Deer Lodge County	15,652	12,518	10,356	9,417	-39.84%
Anaconda-Deer Lodge	9,771	12,518	10,356	9,417	-3.62%
Unincorporated Dear Lodge County	0	0	0	0	.
Fallon County	4,050	3,763	3,103	2,837	-29.95%
Baker city	2,584	2,354	1,824	1,695	-34.40%
Plevna town	189	191	140	138	-26.98%
Unincorporated Fallon County	1,277	1,218	1,139	1,004	-21.38%
Fergus County	12,611	13,076	12,083	11,893	-5.69%
Denton town	398	356	350	301	-24.37%
Grass Range town	181	139	155	149	-17.68%
Lewistown city	6,437	7,104	6,009	5,813	-9.69%
Moore town	219	229	209	186	-15.07%
Winifred town	190	155	150	156	-17.89%
Unincorporated Fergus County	5,186	5,093	5,210	5,288	1.97%
Flathead County	39,460	51,966	59,218	74,471	88.73%
Columbia Falls city	2,652	3,112	2,894	3,645	37.44%
Kalispell city	10,526	10,689	12,605	14,223	35.12%
Whitefish city	3,349	3,703	4,621	5,032	50.25%
Unincorporated Flathead County	22,933	34,462	39,098	51,571	124.88%
Gallatin County	32,531	42,891	50,484	67,831	108.51%
Belgrade city	1,307	2,336	3,374	5,728	338.26%
Bozeman city	18,670	21,645	22,712	27,509	47.34%
Manhattan town	816	988	1,059	1,396	71.08%
Three Forks city	1,188	1,247	1,162	1,728	45.45%
West Yellowstone town	756	735	905	1,177	55.69%
Unincorporated Gallatin County	9,794	15,940	21,272	30,293	209.31%
Garfield County	1,796	1,656	1,589	1,279	-28.79%
Jordan town	529	485	494	364	-31.19%
Unincorporated Garfield County	1,267	1,171	1,095	915	-27.78%
Glacier County	10,783	10,628	12,121	13,247	22.85%
Browning town	1,700	1,226	1,156	1,065	-37.35%
Cut Bank city	4,004	3,688	3,372	3,105	-22.45%
Unincorporated Glacier County	5,079	5,714	7,593	9,077	78.72%
Golden Valley County	931	1,026	912	1,042	11.92%
Lavina town	169	164	151	209	23.67%
Ryegate town	261	273	259	268	2.68%
Unincorporated Golden Valley County	501	589	502	565	12.77%
Granite County	2,737	2,700	2,548	2,830	3.40%
Drummond town	494	414	261	318	-35.63%
Philipsburg town	1,128	1,138	924	914	-18.97%
Unincorporated Granite County	1,115	1,148	1,363	1,598	43.32%

**MONTANA POPULATION REPORT BY U.S. CENSUS BUREAU
BY INCORPORATED CITY AND REMAINDER OF COUNTY**

GEOGRAPHIC AREA	4/1/70	4/1/80	4/1/90	4/1/00	1970-00 % Change
Hill County	17,358	17,985	17,654	16,673	-3.95%
Havre city	10,558	10,891	10,811	9,621	-8.87%
Hingham town	262	186	155	157	-40.08%
Unincorporated Hill County	6,538	6,908	6,688	6,895	5.46%
Jefferson County	5,238	7,029	7,939	10,049	91.85%
Boulder town	1,342	1,441	1,307	1,300	-3.13%
Whitehall town	1,035	1,030	1,066	1,044	0.87%
Unincorporated Jefferson County	2,861	4,558	5,566	7,705	169.31%
Judith Basin County	2,667	2,646	2,282	2,329	-12.67%
Hobson city	192	261	226	244	27.08%
Stanford town	505	595	529	454	-10.10%
Unincorporated Judith Basin County	1,970	1,790	1,527	1,631	-17.21%
Lake County	14,445	19,056	21,041	26,507	83.50%
Polson city	2,464	2,798	3,562	4,041	64.00%
Ronan city	1,347	1,530	1,565	1,812	34.52%
St. Ignatius town	925	877	761	788	-14.81%
Unincorporated Lake County	9,709	13,851	15,153	19,866	104.61%
Lewis and Clark County	33,281	43,039	47,495	55,716	67.41%
East Helena town	1,651	1,647	1,498	1,642	-0.55%
Helena city	22,730	23,938	25,070	25,780	13.42%
Unincorporated Lewis and Clark County	8,900	17,454	20,927	28,294	217.91%
Liberty County	2,359	2,329	2,295	2,158	-8.52%
Chester town	936	963	944	871	-6.94%
Unincorporated Liberty County	1,423	1,366	1,351	1,287	-9.56%
Lincoln County	18,063	17,752	17,481	18,837	4.29%
Eureka town	1,195	1,119	1,053	1,017	-14.90%
Libby city	3,286	2,748	2,770	2,626	-20.09%
Rexford town	243	130	132	151	-37.86%
Troy city	1,046	1,088	1,045	957	-8.51%
Unincorporated Lincoln County	12,293	12,667	12,481	14,086	14.59%
McCone County	2,875	2,702	2,276	1,977	-31.23%
Circle town	964	931	777	644	-33.20%
Unincorporated McCone County	1,911	1,771	1,499	1,333	-30.25%
Madison County	5,014	5,448	5,989	6,851	36.64%
Ennis town	501	660	785	840	67.66%
Sheridan town	636	646	662	659	3.62%
Twin Bridges town	613	437	374	400	-34.75%
Virginia City town	149	192	142	130	-12.75%
Unincorporated Madison County	3,115	3,513	4,026	4,822	54.80%
Meagher County	2,122	2,154	1,819	1,932	-8.95%
White Sulphur Springs city	1,200	1,302	970	984	-18.00%
Unincorporated Meagher County	922	852	849	948	2.82%
Mineral County	2,958	3,675	3,315	3,884	31.30%
Alberton town	363	368	354	374	3.03%
Superior town	993	1,054	900	893	-10.07%
Unincorporated Mineral County	1,602	2,253	2,061	2,617	63.36%

**MONTANA POPULATION REPORT BY U.S. CENSUS BUREAU
BY INCORPORATED CITY AND REMAINDER OF COUNTY**

GEOGRAPHIC AREA	4/1/70	4/1/80	4/1/90	4/1/00	1970-00 % Change
Missoula County	58,263	76,016	78,687	95,802	64.43%
Missoula city	29,497	33,351	48,430	57,053	93.42%
Unincorporated Missoula County	28,766	42,665	30,257	38,749	34.70%
Musselshell County	3,734	4,428	4,106	4,497	20.43%
Melstone town	227	238	109	136	-40.09%
Roundup city	2,116	2,119	1,888	1,931	-8.74%
Unincorporated Musselshell County	1,391	2,071	2,109	2,430	74.69%
Park County	11,235	12,909	14,515	15,694	39.68%
Clyde Park town	244	283	282	310	27.05%
Livingston city	6,883	6,994	6,904	6,851	-0.46%
Unincorporated Park County	4,108	5,632	7,329	8,533	107.70%
Petroleum County	675	655	519	493	-26.96%
Winnett town	271	207	188	185	-31.73%
Unincorporated Petroleum County	404	448	331	308	-23.76%
Phillips County	5,386	5,367	5,163	4,601	-14.57%
Dodson town	196	158	137	122	-37.76%
Malta city	2,195	2,367	2,353	2,120	-3.42%
Saco town	356	252	263	224	-37.08%
Unincorporated Phillips County	2,639	2,590	2,410	2,135	-19.10%
Pondera County	6,611	6,731	6,433	6,424	-2.83%
Conrad city	2,770	3,074	2,902	2,753	-0.61%
Valier town	651	640	524	498	-23.50%
Unincorporated Pondera County	3,190	3,017	3,007	3,173	-0.53%
Powder River County	2,862	2,520	2,090	1,858	-35.08%
Broadus town	799	712	583	451	-43.55%
Unincorporated Powder River County	2,063	1,808	1,507	1,407	-31.80%
Powell County	6,660	6,958	6,620	7,180	7.81%
Deer Lodge city	4,306	4,023	3,362	3,421	-20.55%
Unincorporated Powell County	2,354	2,935	3,258	3,759	59.69%
Prairie County	1,752	1,836	1,383	1,199	-31.56%
Terry town	870	929	659	611	-29.77%
Unincorporated Prairie County	882	907	724	588	-33.33%
Ravalli County	14,409	22,493	25,010	36,070	150.33%
Darby town	538	581	708	710	31.97%
Hamilton city	2,499	2,661	2,901	3,705	48.26%
Pinesdale town	0	0	668	742	.
Stevensville town	829	1,207	1,284	1,553	87.33%
Unincorporated Ravalli County	10,543	18,044	19,449	29,360	178.48%
Richland County	9,837	12,243	10,716	9,667	-1.73%
Fairview town	956	1,366	861	709	-25.84%
Sidney city	4,543	5,726	5,216	4,774	5.08%
Unincorporated Richland County	4,338	5,151	4,639	4,184	-3.55%
Roosevelt County	10,365	10,467	10,999	10,620	2.46%
Bainville town	217	245	165	153	-29.49%
Brockton town	401	374	365	245	-38.90%
Culbertson town	821	887	803	716	-12.79%

**MONTANA POPULATION REPORT BY U.S. CENSUS BUREAU
BY INCORPORATED CITY AND REMAINDER OF COUNTY**

GEOGRAPHIC AREA	4/1/70	4/1/80	4/1/90	4/1/00	1970-00 % Change
Froid town	330	323	195	195	-40.91%
Poplar city	1,389	995	873	911	-34.41%
Wolf Point city	3,095	3,074	2,937	2,663	-13.96%
Unincorporated Roosevelt County	4,112	4,569	5,661	5,737	39.52%
Rosebud County	6,032	9,899	10,505	9,383	55.55%
Forsyth city	1,873	2,553	2,178	1,944	3.79%
Unincorporated Rosebud County	4,159	7,346	8,327	7,439	78.87%
Sanders County	7,093	8,675	8,669	10,227	44.18%
Hot Springs town	664	601	436	531	-20.03%
Plains town	1,046	1,116	1,000	1,126	7.65%
Thompson Falls city	1,356	1,478	1,355	1,321	-2.58%
Unincorporated Sanders County	4,027	5,480	5,878	7,249	80.01%
Sheridan County	5,779	5,414	4,732	4,105	-28.97%
Medicine Lake town	393	408	362	269	-31.55%
Outlook town	153	122	109	82	-46.41%
Plentywood city	2,381	2,476	2,146	2,061	-13.44%
Westby town	287	291	253	172	-40.07%
Unincorporated Sheridan County	2,565	2,117	1,862	1,521	-40.70%
Silver Bow County	41,981	38,092	33,941	34,606	-17.57%
Butte-Silver Bow (remainder)	23,368	37,205	33,252	33,892	45.04%
Walkerville town	1,097	887	689	714	-34.91%
Unincorporated Silver Bow County	0	0	0	0	.
Stillwater County	4,632	5,598	6,536	8,195	76.92%
Columbus town	1,173	1,439	1,594	1,748	49.02%
Unincorporated Stillwater County	3,459	4,159	4,942	6,447	86.38%
Sweet Grass County	2,980	3,216	3,154	3,609	21.11%
Big Timber city	1,592	1,690	1,573	1,650	3.64%
Unincorporated Sweet Grass County	1,388	1,526	1,581	1,959	41.14%
Teton County	6,116	6,491	6,271	6,445	5.38%
Choteau city	1,586	1,798	1,788	1,781	12.30%
Dutton town	415	359	392	389	-6.27%
Fairfield town	638	650	656	659	3.29%
Unincorporated Teton County	3,477	3,684	3,435	3,616	4.00%
Toole County	5,839	5,559	5,046	5,267	-9.80%
Kevin town	250	208	181	178	-28.80%
Shelby city	3,111	3,142	2,795	3,216	3.38%
Sunburst town	604	476	437	415	-31.29%
Unincorporated Toole County	1,874	1,733	1,633	1,458	-22.20%
Treasure County	1,069	981	874	861	-19.46%
Hysham town	373	449	371	330	-11.53%
Unincorporated Treasure County	696	532	503	531	-23.71%
Valley County	11,471	10,250	8,239	7,675	-33.09%
Fort Peck town	0	0	226	240	.
Glasgow city	4,700	4,455	3,784	3,253	-30.79%
Nashua town	513	495	379	325	-36.65%
Opheim town	306	210	145	111	-63.73%

**MONTANA POPULATION REPORT BY U.S. CENSUS BUREAU
BY INCORPORATED CITY AND REMAINDER OF COUNTY**

GEOGRAPHIC AREA	4/1/70	4/1/80	4/1/90	4/1/00	1970-00 % Change
Unincorporated Valley County	5,952	5,090	3,705	3,746	-37.06%
Wheatland County	2,529	2,359	2,246	2,259	-10.68%
Harlowton city	1,375	1,181	1,077	1,062	-22.76%
Judith Gap city	160	213	133	164	2.50%
Unincorporated Wheatland County	1,215	968	1,036	1,033	-14.98%
Wibaux County	1,465	1,476	1,191	1,068	-27.10%
Wibaux town	644	782	628	567	-11.96%
Unincorporated Wibaux County	821	694	563	501	-38.98%
Yellowstone County	87,367	108,035	113,419	129,352	48.06%
Billings city	61,581	66,842	81,469	89,847	45.90%
Broadview town	123	120	128	150	21.95%
Laurel city	4,454	5,498	5,865	6,255	40.44%
Unincorporated Yellowstone County	21,209	35,575	25,957	33,100	56.07%
TOTAL MONTANA	694,409	786,690	799,065	902,195	29.92%

**Montana Population by U.S. Census Bureau –
Counties, Incorporated Cities / Towns
and Census Designated Places (CDP's) – 1990 & 2000**

Note: Census designated places (CDP's) are delineated for each decennial census as the statistical counterparts of incorporated places. CDP's are delineated to provide data for settled concentrations of population that are identifiable by name but are not legally incorporated under the laws of the state in which they are located. The boundaries usually are defined in cooperation with local and tribal officials. These boundaries, which usually coincide with visible features or the boundary of an adjacent incorporated place or other legal entity boundary, have no legal status, nor do these places have officials elected to serve traditional municipal functions.

**MONTANA DECENNIAL CENSUS TOTAL RESIDENT POPULATION
FOR COUNTIES, INCORPORATED CITIES/TOWNS AND
CENSUS DESIGNATED PLACES* (CDPs)
1990 AND 2000**

County/City/Town/CDP*	2000 CENSUS	1990 CENSUS	NUMERIC CHANGE 1990 TO 2000	POPULATION % CHANGE**** 1990 TO 2000
MONTANA	902,195	799,065	103,130	12.91
Beaverhead County	9,202	8,424	778	9.24
Dillon	3,752	4,001	-249	-6.22
Lima	242	265	-23	-8.68
Wisdom CDP	114	--	--	--
Big Horn County	12,671	11,337	1,334	11.77
Busby CDP	695	409	286	69.93
Crow Agency CDP	1,552	1,446	106	7.33
Fort Smith CDP	122	--	--	--
Hardin	3,384	2,940	444	15.10
Lodge Grass	510	517	-7	-1.35
Muddy CDP	627	387	240	62.02
Pryor CDP	628	654	-26	-3.98
St. Xavier CDP	67	--	--	--
Wyola CDP	186	--	--	--
Blaine County	7,009	6,728	281	4.18
Chinook	1,386	1,512	-126	-8.33
Fort Belknap Agency CDP	1,262	422	840	199.05
Harlem	848	882	-34	-3.85
Hays CDP	702	333	369	110.81
Lodge Pole CDP	214	--	--	--
Broadwater County	4,385	3,318	1,067	32.16
Radersburg CDP	70	--	--	--
Toston CDP	105	--	--	--
Townsend	1,867	1,635	232	14.19
Winston CDP	73	--	--	--
Carbon County	9,552	8,080	1,472	18.22
Bearcreek	83	37	46	124.32
Belfry CDP	219	--	--	--
Bridger	745	692	53	7.66
Fromberg	486	370	116	31.35
Joliet	575	522	53	10.15
Red Lodge	2,177	1,958	219	11.18
Carter County	1,360	1,503	-143	-9.51
Ekalaka	410	439	-29	-6.61

**MONTANA DECENNIAL CENSUS TOTAL RESIDENT POPULATION
FOR COUNTIES, INCORPORATED CITIES/TOWNS AND
CENSUS DESIGNATED PLACES* (CDPs)
1990 AND 2000**

County/City/Town/CDP*	2000 CENSUS	1990 CENSUS	NUMERIC CHANGE 1990 TO 2000	POPULATION % CHANGE**** 1990 TO 2000
Cascade County	80,357	77,691	2,666	3.43
Belt	633	571	62	10.86
Black Eagle CDP	914	--	--	--
Cascade	819	729	90	12.35
Fort Shaw CDP	274	--	--	--
Great Falls	56,690	55,125	1,565	2.84
Malmstrom AFB CDP	4,544	5,938	-1,394	-23.48
Neihart	91	53	38	71.70
Simms CDP	373	--	--	--
Sun Prairie CDP	1,772	1,424	348	24.44
Sun River CDP	131	--	--	--
Ulm CDP	750	--	--	--
Vaughn CDP	701	--	--	--
Chouteau County	5,970	5,452	518	9.50
Big Sandy	703	740	-37	-5.00
Boneau CDP	190	--	--	--
Box Elder CDP (partial pop. – Hill Co.)	532	--	--	--
Carter CDP	62	--	--	--
Fort Benton	1,594	1,660	-66	-3.98
Geraldine	284	299	-15	-5.02
Highwood CDP	189	--	--	--
Loma CDP	92	--	--	--
Parker School CDP (partial pop. – Hill Co.)	0	--	--	--
Custer County	11,696	11,697	-1	-0.01
Ismay	26	19	7	36.84
Miles City	8,487	8,461	26	0.31
Daniels County	2,017	2,266	-249	-10.99
Flaxville	87	88	-1	-1.14
Scobey	1,082	1,154	-72	-6.24
Dawson County	9,059	9,505	-446	-4.69
Glendive	4,729	4,802	-73	-1.52
Richey	189	259	-70	-27.03
West Glendive CDP	1,833	--	--	--
Deer Lodge County	9,417	10,356	-939	-9.07
Anaconda-Deer Lodge Co. **	9,417	10,356	-939	-9.07

**MONTANA DECENNIAL CENSUS TOTAL RESIDENT POPULATION
FOR COUNTIES, INCORPORATED CITIES/TOWNS AND
CENSUS DESIGNATED PLACES* (CDPs)
1990 AND 2000**

County/City/Town/CDP*	2000 CENSUS	1990 CENSUS	NUMERIC CHANGE 1990 TO 2000	POPULATION % CHANGE**** 1990 TO 2000
Fallon County	2,837	3,103	-266	-8.57
Baker	1,695	1,818	-123	-6.77
Plevna	138	140	-2	-1.43
Fergus County	11,893	12,083	-190	-1.57
Denton	301	350	-49	-14.00
Grass Range	149	159	-10	-6.29
Lewistown	5,813	6,097	-284	-4.66
Lewistown Heights CDP	365	--	--	--
Moore	186	211	-25	-11.85
Winifred	156	150	6	4.00
Flathead County	74,471	59,218	15,253	25.76
Bigfork CDP	1,421	--	--	--
Columbia Falls	3,645	2,921	724	24.79
Coram CDP	337	--	--	--
Evergreen CDP	6,215	4,109	2,106	51.25
Hungry Horse CDP	934	--	--	--
Kalispell	14,223	11,917	2,306	19.35
Lakeside CDP	1,679	--	--	--
Martin City CDP	331	--	--	--
Niarada CDP (partial pop. see also Lake & Sanders Counties)	17	--	--	--
Somers CDP	556	--	--	--
Whitefish	5,032	4,368	664	15.20
Gallatin County*****	67,831	50,463	17,368	34.42
Amsterdam-Churchill CDP	727	--	--	--
Belgrade	5,728	3,422	2,306	67.39
Big Sky CDP (partial pop. see also Madison County)	1,033	--	--	--
Bozeman	27,509	22,660	4,849	21.40
Four Corners CDP	1,828	--	--	--
Manhattan	1,396	1,034	362	35.01
Three Forks	1,728	1,203	525	43.64
West Yellowstone	1,177	913	264	28.92
Willow Creek CDP	209	--	--	--
Garfield County	1,279	1,589	-310	-19.51
Jordan	364	494	-130	-26.32

**MONTANA DECENNIAL CENSUS TOTAL RESIDENT POPULATION
FOR COUNTIES, INCORPORATED CITIES/TOWNS AND
CENSUS DESIGNATED PLACES* (CDPs)
1990 AND 2000**

County/City/Town/CDP*	2000 CENSUS	1990 CENSUS	NUMERIC CHANGE 1990 TO 2000	POPULATION % CHANGE**** 1990 TO 2000
Glacier County	13,247	12,121	1,126	9.29
Browning	1,065	1,170	-105	-8.97
Cut Bank	3,105	3,329	-224	-6.73
East Glacier Park Village CDP	396	326	70	21.47
North Browning CDP	2,200	1,630	570	34.97
South Browning CDP	1,677	1,748	-71	-4.06
Starr School CDP	248	260	-12	-4.62
Golden Valley County	1,042	912	130	14.25
Lavina	209	151	58	38.41
Ryegate	268	260	8	3.08
Granite County	2,830	2,548	282	11.07
Drummond	318	264	54	20.45
Philipsburg	914	925	-11	-1.19
Hill County	16,673	17,654	-981	-5.56
Agency CDP	324	--	--	--
Azure CDP	253	--	--	--
Beaver Creek CDP	291	--	--	--
Box Elder CDP (partial pop. see also Chouteau County)	262	--	--	--
Gildford CDP	185	--	--	--
Havre	9,621	10,201	-580	-5.69
Havre North CDP	973	1,110	-137	-12.34
Herron CDP	100	--	--	--
Hingham	157	181	-24	-13.26
Inverness CDP	103	--	--	--
Kremlin CDP	126	--	--	--
Parker School CDP (partial pop. see also Chouteau County)	352	--	--	--
Rudyard CDP	275	--	--	--
Saddle Butte CDP	138	--	--	--
St. Pierre CDP	289	--	--	--
Sangrey CDP	263	--	--	--
West Havre CDP	284	--	--	--

**MONTANA DECENNIAL CENSUS TOTAL RESIDENT POPULATION
FOR COUNTIES, INCORPORATED CITIES/TOWNS AND
CENSUS DESIGNATED PLACES* (CDPs)
1990 AND 2000**

County/City/Town/CDP*	2000 CENSUS	1990 CENSUS	NUMERIC CHANGE 1990 TO 2000	POPULATION % CHANGE**** 1990 TO 2000
Jefferson County	10,049	7,939	2,110	26.58
Basin CDP	255	--	--	--
Boulder	1,300	1,316	-16	-1.22
Cardwell CDP	40	--	--	--
Clancy CDP	1,406	--	--	--
Jefferson City CDP	295	--	--	--
Montana City CDP	2,094	--	--	--
Whitehall	1,044	1,067	-23	-2.16
Judith Basin County	2,329	2,282	47	2.06
Hobson	244	226	18	7.96
Stanford	454	529	-75	-14.18
Lake County	26,507	21,041	5,466	25.98
Arlee CDP	602	489	113	23.11
Big Arm CDP	131	--	--	--
Charlo CDP	439	358	81	22.63
Dayton CDP	95	--	--	--
Elmo CDP	143	--	--	--
Finley Point CDP	493	395	98	24.81
Jette CDP	267	--	--	--
Kerr CDP	17	--	--	--
Kicking Horse CDP	80	281	-201	-71.53
Kings Point CDP	169	--	--	--
Niarada CDP (partial pop. see also Flathead & Sanders Co.'s)	0	--	--	--
Pablo CDP	1,814	1,298	516	39.75
Polson	4,041	3,291	750	22.79
Ravalli CDP	119	--	--	--
Rocky Point CDP	107	--	--	--
Rollins CDP	183	--	--	--
Ronan	1,812	1,547	265	17.13
St. Ignatius	788	778	10	1.29
Turtle Lake CDP	194	--	--	--
Woods Bay CDP	748	--	--	--
Lewis & Clark County	55,716	47,495	8,221	17.31
Augusta CDP	284	--	--	--
East Helena	1,642	1,538	104	6.76
Helena	25,780	24,609	1,171	4.76

**MONTANA DECENNIAL CENSUS TOTAL RESIDENT POPULATION
FOR COUNTIES, INCORPORATED CITIES/TOWNS AND
CENSUS DESIGNATED PLACES* (CDPs)
1990 AND 2000**

County/City/Town/CDP*	2000 CENSUS	1990 CENSUS	NUMERIC CHANGE 1990 TO 2000	POPULATION % CHANGE**** 1990 TO 2000
Lewis & Clark County cont.'				
Helena Valley Northeast CDP	2,122	1,585	537	33.88
Helena Valley Northwest CDP	2,082	1,215	867	71.36
Helena Valley Southeast CDP	7,141	4,601	2,540	55.21
Helena Valley West Ctrl CDP	6,983	6,327	656	10.37
Helena West Side CDP	1,711	1,847	-136	-7.36
Lincoln CDP	1,100	--	--	--
Liberty County	2,158	2,295	-137	-5.97
Chester	871	942	-71	-7.54
Joplin CDP	210	--	--	--
Lincoln County	18,837	17,481	1,356	7.76
Eureka	1,017	1,043	-26	-2.49
Fortine CDP	169	--	--	--
Libby	2,626	2,532	94	3.71
Rexford	151	132	19	14.39
Troy	957	953	4	0.42
McCone County	1,977	2,276	-299	-13.14
Circle	644	805	-161	-20.00
Madison County	6,851	5,989	862	14.39
Alder CDP	116	--	--	--
Big Sky CDP (partial pop. see also Gallatin County)	188	--	--	--
Ennis	840	773	67	8.67
Harrison CDP	162	--	--	--
Sheridan	659	652	7	1.07
Twin Bridges	400	374	26	6.95
Virginia City	130	142	-12	-8.45
Meagher County	1,932	1,819	113	6.21
White Sulphur Springs	984	963	21	2.18
Mineral County	3,884	3,315	569	17.16
Alberton	374	354	20	5.65
De Borgia CDP	69	--	--	--
Riverbend CDP	442	--	--	--
St. Regis CDP	315	--	--	--
Superior	893	881	12	1.36

**MONTANA DECENNIAL CENSUS TOTAL RESIDENT POPULATION
FOR COUNTIES, INCORPORATED CITIES/TOWNS AND
CENSUS DESIGNATED PLACES* (CDPs)
1990 AND 2000**

County/City/Town/CDP*	2000 CENSUS	1990 CENSUS	NUMERIC CHANGE 1990 TO 2000	POPULATION % CHANGE**** 1990 TO 2000
Missoula County	95,802	78,687	17,115	21.75
Bonner-West Riverside CDP	1,693	1,669	24	1.44
Clinton CDP	549	--	--	--
East Missoula CDP	2,070	--	--	--
Evaro CDP	329	--	--	--
Frenchtown CDP	883	--	--	--
Lolo CDP	3,388	2,746	642	23.38
Missoula	57,053	42,918	14,135	32.93
Orchard Homes CDP	5,199	10,317	-5,118	-49.61
Seeley Lake CDP	1,436	--	--	--
Wye CDP	381	--	--	--
Musselshell County	4,497	4,106	391	9.52
Camp Three CDP	138	--	--	--
Klein CDP	188	--	--	--
Melstone	136	166	-30	-18.07
Musselshell CDP	60	--	--	--
Roundup	1,931	1,808	123	6.80
Park County*****	15,694	14,562	1,132	7.77
Clyde Park	310	282	28	9.93
Cooke City-Silver Gate CDP	140	--	--	--
Gardiner CDP	851	--	--	--
Livingston	6,851	6,701	150	2.24
Wilsall CDP	237	--	--	--
Petroleum County	493	519	-26	-5.01
Winnett	185	188	-3	-1.60
Phillips County	4,601	5,163	-562	-10.89
Dodson	122	137	-15	-10.95
Malta	2,120	2,340	-220	-9.40
Saco	224	261	-37	-14.18
Pondera County	6,424	6,433	-9	-0.14
Conrad	2,753	2,891	-138	-4.77
Heart Butte CDP	698	499	199	39.88
Valier	498	519	-21	-4.05
Powder River County	1,858	2,090	-232	-11.10
Broadus	451	572	-121	-21.15

**MONTANA DECENNIAL CENSUS TOTAL RESIDENT POPULATION
FOR COUNTIES, INCORPORATED CITIES/TOWNS AND
CENSUS DESIGNATED PLACES* (CDPs)
1990 AND 2000**

County/City/Town/CDP*	2000 CENSUS	1990 CENSUS	NUMERIC CHANGE 1990 TO 2000	POPULATION % CHANGE**** 1990 TO 2000
Powell County	7,180	6,620	560	8.46
Avon CDP	124	--	--	--
Deer Lodge	3,421	3,378	43	1.27
Elliston CDP	225	--	--	--
Garrison CDP	112	--	--	--
Ovando CDP	71	--	--	--
Prairie County	1,199	1,383	-184	-13.30
Fallon CDP	138	--	--	--
Terry	611	659	-48	-7.28
Ravalli County	36,070	25,010	11,060	44.22
Corvallis CDP	443	--	--	--
Darby	710	625	85	13.60
Florence CDP	901	--	--	--
Hamilton	3,705	2,737	968	35.37
Pinesdale	742	670	72	10.75
Stevensville	1,553	1,221	332	27.19
Victor CDP	859	--	--	--
Richland County	9,667	10,716	-1,049	-9.79
Fairview	709	869	-160	-18.41
Fox Lake CDP	157	--	--	--
Knife River CDP	297	--	--	--
Sidney	4,774	5,217	-443	-8.49
Roosevelt County	10,620	10,999	-379	-3.45
Bainville	153	165	-12	-7.27
Brockton	245	365	-120	-32.88
Culbertson	716	796	-80	-10.05
Froid	195	195	0	0.00
Poplar	911	881	30	3.41
Wolf Point	2,663	2,880	-217	-7.53
Rosebud County	9,383	10,505	-1,122	-10.68
Ashland CDP	464	484	-20	-4.13
Birney CDP	108	--	--	--
Colstrip***	2,346	3,035	-689	-22.70
Forsyth	1,944	2,178	-234	-10.74
Lame Deer CDP	2,018	1,918	100	5.21

**MONTANA DECENNIAL CENSUS TOTAL RESIDENT POPULATION
FOR COUNTIES, INCORPORATED CITIES/TOWNS AND
CENSUS DESIGNATED PLACES* (CDPs)
1990 AND 2000**

County/City/Town/CDP*	2000 CENSUS	1990 CENSUS	NUMERIC CHANGE 1990 TO 2000	POPULATION % CHANGE**** 1990 TO 2000
Sanders County	10,227	8,669	1,558	17.97
Dixon CDP	216	--		--
Heron CDP	149	--	--	--
Hot Springs	531	411	120	29.20
Lonepine CDP	137	--	--	--
Niarada CDP (partial pop. see also Flathead & Lake Co.'s)	33	--	--	--
Noxon CDP	230	--	--	--
Old Agency CDP	95	--	--	--
Paradise CDP	184	--	--	--
Plains	1,126	992	134	13.51
Thompson Falls	1,321	1,319	2	0.15
Trout Creek CDP	261	--	--	--
Sheridan County	4,105	4,732	-627	-13.25
Antelope CDP	43	--	--	--
Medicine Lake	269	357	-88	-24.65
Outlook	82	109	-27	-24.77
Plentywood	2,061	2,136	-75	-3.51
Reserve CDP	37	--	--	--
Westby	172	253	-81	-32.02
Silver Bow County	34,606	33,941	665	1.96
Butte-Silver Bow**	33,892	33,336	556	1.67
Walkerville	714	605	109	18.02
Stillwater County	8,195	6,536	1,659	25.38
Absarokee CDP	1,234	1,067	167	15.65
Columbus	1,748	1,573	175	11.13
Park City CDP	870	--	--	--
Reed Point CDP	185	--	--	--
Sweet Grass County	3,609	3,154	455	14.43
Big Timber	1,650	1,557	93	5.97
Greycliff CDP	56	--	--	--
Teton County	6,445	6,271	174	2.77
Choteau	1,781	1,741	40	2.30
Dutton	389	392	-3	-0.77
Fairfield	659	660	-1	-0.15
Power CDP	171	--	--	--

**MONTANA DECENNIAL CENSUS TOTAL RESIDENT POPULATION
FOR COUNTIES, INCORPORATED CITIES/TOWNS AND
CENSUS DESIGNATED PLACES* (CDPs)
1990 AND 2000**

County/City/Town/CDP*	2000 CENSUS	1990 CENSUS	NUMERIC CHANGE 1990 TO 2000	POPULATION % CHANGE**** 1990 TO 2000
Toole County	5,267	5,046	221	4.38
Kevin	178	185	-7	-3.78
Shelby	3,216	2,763	453	16.40
Sunburst	415	437	-22	-5.03
Treasure County	861	874	-13	-1.49
Hysham	330	361	-31	-8.59
Valley County	7,675	8,239	-564	-6.85
Fort Peck	240	226	14	6.19
Frazer CDP	452	403	49	12.16
Glasgow	3,253	3,572	-319	-8.93
Nashua	325	375	-50	-13.33
Opheim	111	145	-34	-23.45
St. Marie CDP	183	--	--	--
Wheatland County	2,259	2,246	13	0.58
Harlowton	1,062	1,049	13	1.24
Judith Gap	164	133	31	23.31
Wibaux County	1,068	1,191	-123	-10.33
Wibaux	567	628	-61	-9.71
Yellowstone County	129,352	113,419	15,933	14.05
Ballantine CDP	346	--	--	--
Billings	89,847	81,125	8,722	10.75
Broadview	150	133	17	12.78
Custer CDP	145	--	--	--
Huntley CDP	411	--	--	--
Laurel	6,255	5,686	569	10.01
Lockwood CDP	4,306	3,967	339	8.55
Shepherd CDP	193	--	--	--
Worden CDP	506	--	--	--

Note: Four CDPs cross county boundaries - Big Sky (total pop. 1,221), Box Elder (total pop. 794), Niarada (total pop. 50), and Parker School (total pop. 352)

Source: U.S. Census Bureau, Released March 21, 2001

** Consolidated city/county

*** Colstrip was incorporated in 1998. It was a CDP in 1990, but the 1990 boundaries do not coincide with the new incorporated city.

-- Neither a CDP nor incorporated place in 1990.

* Census designated places (CDPs) are delineated for each decennial census as the statistical counterparts of incorporated places.

CDPs are delineated to provide data for settled concentrations of population that are identifiable by name but are not legally tribal officials. These boundaries, which usually coincide with visible features or the boundary of an adjacent incorporated place or other legal entity boundary, have no legal status, nor do these places have officials elected to serve traditional municipal functions.

**** The county equivalent of Yellowstone National Park (population 52 in 1990) has been merged into Gallatin County and Park County since 1990.

Compiled by: Census and Economic Information Center, Montana Dept. of Commerce (406) 444-2896 5/14/01

**** Boundaries of Census Designated Places (CDPs) may vary from one decennial census to the next with changes in the settlement pattern; a CDP with the same name as in an earlier census does not necessarily have the same boundary. Census counts of Incorporated Places (cities and towns) reflect population change through both migration and land annexation.